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Assisting America's Small Farmers and Ranchers in the 21st Century

Meeting the Challenge of
A Time to Act



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This report, *Assisting America's Small Farmers and Ranchers in the 21st Century*, was prepared by the USDA Small Farms Coordinators. The report provides highlights of the continuing efforts made by USDA to assist the Nation's small farmers and ranchers since the USDA National Commission on Small Farms published its report, *A Time to Act*, in January 1998. This report reflects accomplishments through October 2001.



Assisting America's Small Farmers and Ranchers in the 21st Century

Accomplishments through
October 2001

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Foreword

Ann M. Veneman, Secretary of Agriculture

It has been several years since the USDA's National Commission on Small Farms completed its report, *A Time to Act*. The United States Department of Agriculture has indeed acted, swiftly and effectively, to empower our small, family-sized American farmers. In these pages, you will find descriptions of innovative efforts that are helping small producers survive in an increasingly concentrated and top-heavy farm economy.

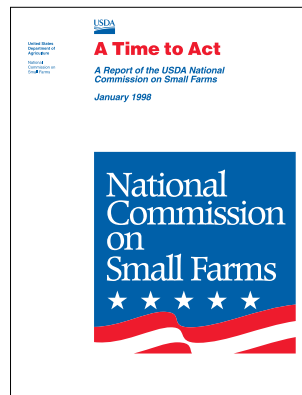
In taking on this challenge, we have tapped the resources of the entire Department, not just those agencies responsible for administering farm programs. Our Small Farms Coordinators—one from each USDA mission area; individual agencies; the National Offices of Outreach, Civil Rights, Budget and Program Analysis, Communications, Chief Economist, and the General Counsel—have been the key to this strategy, uniting in pursuit of a common goal instead of protecting their individual turf.

While our Farm Service Agency and Agricultural Marketing Service are deeply involved, there is much more to our small farms efforts. For example, our Food Safety and Inspection Service and State Extension Service have launched training programs in Pacific Island and Navajo farm communities to promote animal hygiene and proper preharvest handling practices, thus ensuring a safer product.

Our Food and Nutrition Service is involved in several efforts to promote the purchase of commodities from small farms for USDA Nutrition Assistance Programs. Our Natural Resources Conservation Service is reaching out to small farmers from Maine to Oregon, helping them work the land in a way that is both economically productive and environmentally responsible.

Our Cooperative State Research, Education, and Extension Service is working to improve the economic viability of small farm operations throughout the United States and its territories via partnerships and collaborations with the land-grant university system and other public and private sectors, including farmers, community-based organizations, foundations, and others.

Our National Agricultural Statistics Service has improved its data collection procedures to ensure that small farms



Report of the National Commission on Small Farms dated January 1998.

across America will be included in the 2002 Census of agriculture and other surveys that provide invaluable information on the farm topology of small family farms. Our National Office of Outreach has taken a proactive role to insure that USDA programs and services are accessible to all constituents, including the underserved, socially disadvantaged and limited-resource farmers, ranchers,

farm workers, and other rural constituents. Also, our Risk Management Agency awarded over \$20 million in FY 2001 for the development of new kinds of crop insurance plans and ways to lessen the risks of farming, to educate producers about crop insurance, and to improve services to small, limited-resource, and underserved communities.

These individual success stories only tell part of the story. On a large scale, USDA, more than ever before, has been active and vocal in efforts designed to support small farmers. Our new policy on mandatory price reporting, our work on national organic standards, our commitment to civil rights, our support for farmers' markets, and endorsement of sustainable agriculture have demonstrated USDA's commitment to small farmers. The challenges facing American agriculture, especially the struggles of the small farmer, too often go unnoticed.

In addition to their economic potential and the role they play in ensuring a safe, abundant, and affordable food supply, small farms are a part of the fabric of American life. They are a unique part of our heritage, a tradition older than the nation itself, and a national treasure that must be preserved. The trend toward consolidation, in agriculture and other sectors of the economy, will not stop any time soon. In many cases, where it leads to greater efficiency, profitability, and job creation, we do not want it to stop. But bigger is not



necessarily better. Small producers deserve a place in 21st century agriculture. They can and must co-exist side-by-side with larger agricultural operations in a diverse marketplace that presents consumers with a variety of choices and provides all farmers with economic opportunity.

Despite all the accomplishments outlined in this report, there is still plenty of work to be done. I am confident that this Administration will continue to make significant progress in meeting the challenge of the National Commission on Small Farms original report, *A Time to Act* (published in January 1998). The Commission's report included eight policy goals and 146 recommendations on how USDA could help small farms and ranches. This report, *Assisting America's Small Farmers and Ranchers in the 21st Century*, highlights USDA's continuing efforts to assist small farmers and ranchers since the USDA Small Farms Coordinators issued its first report, *Meeting the Challenge of A Time to Act: USDA Progress and Achievements on Small Farms* (published in April 2000). I am also pleased to note that the 2002 Farm Bill enacted this year recognizes, supports, and promotes the unique interests of small farmers and ranchers.



Introduction

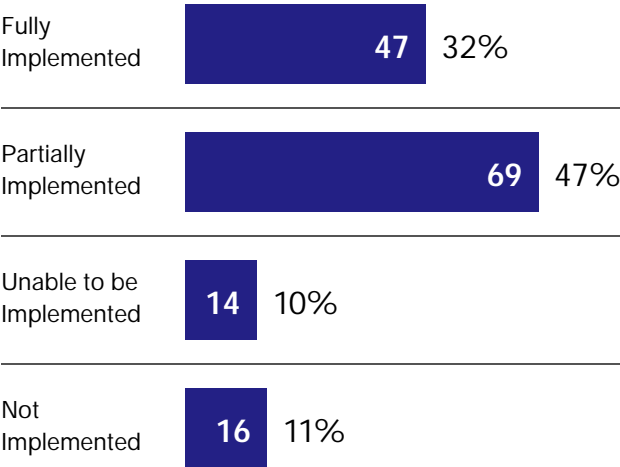


A rancher testifies to the National Commission on Small Farms at one of the regional hearings.

This report was prepared by a Department-wide group of Small Farms Coordinators, representing each mission area; individual agencies; and the Offices of Outreach, Civil Rights, Budget and Program Analysis, Communications, Chief Economist, and the General Counsel. The report outlines USDA’s progress and achievements in response to the National Commission on Small Farms’ report, *A Time to Act*, published in January 1998. The Commission’s report included eight policy goals and 146 recommendations based on written and oral testimony from over 600 people attending seven public hearings and meetings held across the United States.

The USDA Small Farms Coordinators published its first report, *Meeting the Challenge of A Time to Act: USDA Progress and Achievements on Small Farms*, in April 2000. That report highlighted USDA’s progress and achievements on small farms and ranchers from the period February 1998 to December 1999. This second report primarily covers the time period January 2000 through September 2001. Since receiving the Commission’s report, *A Time to Act*, in 1998, the Department has either fully implemented or partially implemented almost 80 percent of the Commission’s recommendations (see Figure 1 below).

Figure 1
Commission Recommendations Implemented by USDA



Almost 80% of the 146 recommendations submitted by the National Commission on Small Farms to USDA in its report, *A Time to Act*, have been implemented in whole or part.



Some recommendations could not be implemented by USDA due to budgetary constraints or because the Department lacked the legislative authority to do so. (See Appendix 3 of this report for an explanation of the implementation codes cited in Figure 1, page 3 of this report.) Every mission area in USDA has committed staff time and resources to respond to the Commission's recommendations and policy goals.

The progress and achievements in this report are divided into the following program areas:

Program Areas

- Outreach
- Market Development
- Market Access
- Risk Management
- Conservation
- Credit and Finance
- Research and Extension
- Beginning Farmers
- Farm Workers
- Civil Rights
- Additional Small Farms Initiatives
- Appendixes

Except for the program area identified as "Additional Small Farms Initiatives," all of these areas were outlined in the Small Farm Coordinators' first report (in April 2000), *Meeting the Challenge of A Time to Act: USDA Progress and Achievements on Small Farms*. This area was added to highlight USDA's progress and achievements in areas other than those that were designated to include the Commission's 146 recommendations.

The **Small Farms@USDA** web site includes a database of all the Commission's recommendations and specific actions taken by USDA in response to the recommendations. The web site address is: www.usda.gov/oce/smallfarm/.



Many USDA programs are designed to strengthen the economic viability of America's farms so the next generation can compete successfully in the global food chain.



I. Outreach



USDA works closely with state land-grant university partners and county Extension agents who deliver outreach programs to farmers.

Commission Recommendations: The Commission remarked on a lack of focused attention on small farms and an attitude of indifference toward the needs of small farmers and ranchers.

The Commission determined that the establishment and continued support of farmer support networks, mentoring programs, and apprenticeship programs are critical for small farm and ranch operators to exchange information with one another. Recommendations included the establishment of an administrator for small farms to provide a dedicated focus for small farm issues within USDA and intensified and targeted outreach, particularly to minority farmers and ranchers.

AGENCY HIGHLIGHTS

Agencies have made considerable strides since fiscal year (FY) 1999 to reach out collaboratively to small, limited-resource, and minority farmers, as well as to local communities, to ensure a better understanding of the programs and services that USDA offers. Such outreach efforts have enabled agencies to obtain a better understanding of the needs of our diverse customers, and will help them target programs and services to meet specific customer needs.

Agricultural Marketing Service (AMS)

- In a joint venture with Southern University A&M College, AMS organized and participated in the USDA's Agricultural Marketing Outreach Workshop on April 11, 2000 in Memphis, Tennessee. The Workshop's target audience was small and limited-resource farmers in Alabama, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.
- AMS worked with California Polytechnic State University, University of California-Small Farms and Cooperative Extension Programs, and Modesto Junior College to host the USDA's Agricultural Marketing Outreach Workshop on October 31-November 2, 2000 in Modesto, California. Over 500 small farmers and agriculture professionals participated in workshops and



breakout sessions to discuss topics such as cooperative development, preparing marketing plans, and institutional marketing opportunities.

Animal and Plant Health Inspection Service (APHIS)

As part of the USDA's Marketing and Regulatory Programs budget crosscut, APHIS has completed an initial program-by-program examination of the actual dollars and the percentage of individual line programs that impact small farms. This crosscut analysis allows the Agency to accurately identify funds devoted to activities that directly benefit small farms (e.g., compensation payments, or farm service delivery). The amount of APHIS's budget that directly impacted small farmers and ranchers was in excess of \$358 million in FY 1999 and over \$394 million in FY 2000. This represents approximately 52 percent of the FY 1999 budget and approximately 46 percent of the FY 2000 budget.

- On August 23, 2000, APHIS presented a "Model for Budget Analysis on Small Farm Issues—USDA/APHIS," to the Small Farms Advisory Council (SFAC) at their third meeting in Sacramento, California. It is the intention of APHIS to produce a similar analysis for FY 2001. Included in the information supplied to the individual members of the SFAC was a new MRP small farms brochure "We're here! For Small Farms." The APHIS Legislative and Public Affairs staff facilitated the development of this brochure.



- APHIS staff participated in three major small farms/outreach conferences in 2000-2001: the Urban-Rural Interface Conference sponsored by the Urban Affairs and New Nontraditional Programs of the Alabama Cooperative Extension System, held on April 13, 2000 at Alabama A&M University; the National Black Farmers Association, which met in Richmond, Virginia on August 24-25, 2000; and the Natural Resources and Agricultural Workshop in Education, Outreach, and Technology, held on July 11-12, 2001, at the Georgia State Fair grounds in Perry, Georgia.

Cooperative State Research, Education, and Extension Service (CSREES)

CSREES has a full-time national program leader (NPL) for small farms who provides leadership to improve small farm operations throughout the United States and its territories via partnerships and collaborations with the land-grant university system; other public and private sectors, including farmers, community-based organizations, foundations; and others.

CSREES works closely with a national network of small farm program leaders through the land-grant university system and with USDA agency small farm program specialists to ensure that the USDA/CSREES small farm program and policies respond to current small farm issues and the recommendations of the National Small Farms Commission cited in the *A Time to Act* report. CSREES continues to increase outreach activities aimed at helping small farmers and ranchers improve the economic viability of their small farms and ranches. Activities in 2000 and 2001 include:

- **Planning the 3rd National Small Farm Conference:** During 2000-2001, CSREES took the lead in planning the 3rd National Small Farm Conference, held September 17-21, 2002 in Albuquerque, New Mexico. The focus of the conference is strengthening partnerships and linkages among Federal, State, and local entities that serve small farmers and ranchers. New Mexico State University will be the land-grant university helping CSREES coordinate conference logistics and programming. USDA agencies with small farm programs or with information beneficial to small farmers will be conference sponsors.



■ **AgrAbility Program Offers Farm Safety Information:**

Nationwide since 1991, the AgrAbility Program, given national leadership by CSREES, has provided assistance to over 12,000 farmers/workers with disabilities, trained 10,000 farm professionals, and provided disability educational awareness at over 1,000 events. Efforts to increase 1890 institution involvement in the program during 2000 included travel funds for faculty to attend the largest national AgrAbility conference ever held on November 10, 2001.

The conference built partnerships between CSREES and other USDA agencies to better provide services to disabled farmers and farm workers. CSREES also provided funding to four institutions to implement AgrAbility programs.

- **The CSREES Small Farm Program Hotline:** The CSREES Small Farm Program's toll-free hotline (1-800-583-3071) handles an average of 15 calls per day. Half of the requests are for farm loan program information and are referred to the appropriate USDA office, such as the Farm Service Agency or Sustainable Agriculture Research and Education (SARE) Program. Other calls for technical assistance are referred to an appropriate State Cooperative Extension Service specialist within the statewide network with whom the CSREES works closely in disseminating information to help farmers nationwide. The CSREES Small Farm Program is housed within the Economic and Community Systems Unit.

- **National Safe Tractor and Machinery Operation Certification Program:** Pennsylvania State University and The Ohio State University received a CSREES grant in 2001 to develop a National Safe Tractor and Machinery Operation Certification Program for Youth. A lack of current teaching aids, uniform testing standards, and knowledge of the Hazardous Occupations Order for Agriculture training requirements justified the need for this grant. The 4-year project will develop and evaluate instructional materials as well as testing, evaluation, and certification procedures, and it will offer instructor training to establish and maintain the National Program.



Over the last several years, CSREES has provided training to approximately 10,000 farm professionals, and conducted disability educational awareness sessions at over 100 events.

- **Kentucky State University Programs Help Small Farmers with Marketing:** Kentucky State University Extension staff targeted the state's 59,000 limited-resource small farmers with a personalized production, marketing, and sustainable management information program in 1999-2001. Many cooperating farmers doubled their annual net farm income by an average of \$10,000 by implementing recordkeeping and sustainable practices.

Through the University's Small Farmer Outreach Training and Technical Assistance Project, Mennonite and Amish farmers were helped to establish the Fairview Produce Auction, Inc. The auction generated higher produce prices in local markets, realizing \$100,000 in sales during 1997 and \$250,000 in 1998 for 33 grower members. CSREES works in close partnership with State Small Farm Program Coordinators in the land-grant system to help small farmers remain economically viable.

- **University of California Small Farm Program Helps Small Producers with New Crops:** Members of the Small Farm Workshop at the University of California Small Farm Program have been focusing on new crops for California during 2000-2001.



Successful research trials on adapting blueberries to the various ecosystems in California have been underway from Sonoma to San Diego, spawning an explosive growth of several hundred acres in new blueberry plantings. Substantial portions of these acres are on small farms. It is expected that more acreage in California will be planted with blueberries as research results are adopted.

■ **CSREES Helps Sponsor Marketing Conference for Limited Resource Farmers in California:**

CSREES helped sponsor and participated in “The Markets, Tools, and Opportunities for Limited-Resource Farmers” Conference in Modesto, California during October 31-November 2, 2000. Staff at the CSREES Small Farm Program exhibit booth exchanged information with many of the 200 growers and other participants, including Hmong and Hispanic growers from California.

■ **National Black Farmers Association Conference 2000:**

The CSREES NPL for Small Farms moderated a session on “Farming for Our Next Generation” at the National Black Farmers’ Association Conference 2000: “Exploring the Future of Today’s Farmer—What Works” held August 24-25, 2000 in Richmond, Virginia. Information was shared with many limited-resource farmers, staff and officials who work with small farmers, landowners, farm workers, State conservation district representatives, Cooperative Extension specialists, vocational agricultural instructors, farm cooperative managers, rural church leaders, community-based organization leaders, and other farm advocates who visited the CSREES Small Farm Program exhibit.

- **Agricultural Marketing Outreach Workshop:** The CSREES Small Farm Program staff participated at the Agricultural Marketing Outreach Workshop—“Marketing: The Last Link In The Chain” held April 11-13, 2000 in Memphis, Tennessee. CSREES information was shared with a diverse group of limited-resource farmers and other attendees. A CSREES Small Farm Program exhibit booth offered an opportunity for program staff to talk one-on-one with farmers and Extension small farm specialists.



CSREES supports small farmers with limited resources. In March 2000, the CSREES staff participated in a “Successful Small Farming” teleconference session in North Carolina at a “Women in Agriculture” seminar.

- **14th Annual Small Farms Week at North Carolina A&T University:** During the 14th Annual Small Farms Week at North Carolina A&T State on March 20-24, 2000, CSREES Small Farm Program staff participated in a “Successful Small Farming” teleconference session and gave concluding remarks at a “Women In Agriculture” seminar. The critical role women play in agriculture and society, and the expanding opportunities for women in agriculture were a special focus of the event. Staff shared CSREES Small Farm Program information with farm families and Extension staff who work closely with small farmers in North Carolina.

- **108th Annual Farmers Conference:** The CSREES NPL for Small Farms moderated a session, manned a CSREES Small Farm Program exhibit, and shared ideas with many limited-resource farmers from the Southern region, Extension specialists, and others at the 108th Annual Farmers Conference at Tuskegee University during February 10-11, 2000. The Conference theme was “The Small Farmer: Survival Strategies for the New Century.”



Farm Service Agency (FSA)

ALASKA

- **Reindeer Herders:** Alaska FSA extended the Livestock Assistance Program to about 20 small and remote Native reindeer herders on the Seward Peninsula, beginning in FY 1999. This was the first time any of the herders had participated in any FSA programs. The effort involved the State Office working with Sen. Stevens' office to add reindeer to the statutory definition of livestock. Once this was done, the program specialist and a County Executive Director went to Nome for two weeks and contacted each herder individually. Boats and aircraft were used to do this, along with cars and phones, as many herders do not live on roads.



An Alaskan FSA County Executive Director works with small and remote Native reindeer herders as part of its outreach efforts to extend the Livestock Assistance Program.

- **Berry Project:** Most of the agriculture in off-road Alaska would not be recognized as such by a Midwesterner. It is very small, subsistence or barter oriented, and relies on native plants. The State Office suggested a plan to use Environmental Quality Incentives Program (EQIP) education funds as a demonstration for techniques to conserve and enhance traditional berry-growing areas along the Yukon River. The State Technical Committee approved the idea, and it is going forward. Those who

will be able to best make use of this practice are currently at the mercy of nature and destructive snow machine traffic for the food on which they depend. FSA is helping resource-dependent people expand into agriculture from subsistence and barter.

- **Oyster Farmers:** FSA personnel journeyed by floatplane and/or boat to help small, remote oyster farmers with loan applications, when they did not have the resources to come to FSA offices or the time available to leave their oysters unattended.



The Farm Service Agency's local field offices provide assistance to small farmers who do not have funds to move their animals away from out-of-control forest or range fires.

- **Fire-Threatened Farmer:** In 1998, a major forest fire threatened to jump the Tanana River and the Richardson Highway and race up a canyon where one of FSA's customers has a small dairy farm. He did not have the funds to move the animals. The local County Executive Director (CED) organized a group of horse trailers and a destination farm for him. The move was not actually made because the forest fire was contained between the river and the highway, but the effort to move the dairy farm would have been made if it had been necessary.



- **Cooperative Formation:** The State Executive Director (SED) is familiar with cooperative formation and has put together bylaws and articles of incorporation for small farmers who are at risk of losing their livestock. Almost all the customers are small farmers. Many live off a good road system or any road at all. Others have no electricity. FSA uses whatever means of transport necessary to get to them and finds whatever resource is needed to help them.

ARIZONA

- **Farmers Market:** FSA has supported an effort in Arizona to improve the quality and number of farmers' markets. The latest effort involved helping to pay the cost of a forum to bring in key people from around the state to train in the use of WIC/Food Stamp vouchers at farmers markets. This increased the market outlets for small (less than five acre) farmers and helped the poor.
- **EQIP Program:** FSA has worked with NRCS to help them reach small farms with the EQIP program. Previously there was a 10-acre minimum size requirement to qualify farmers or ranchers for ACP assistance. That requirement has been relaxed and FSA helped conserve resources on small farms.

CALIFORNIA

- California's FSA offices continue to expand their outreach efforts to the State's small and limited-resource farmers. Measurable increases in FSA program participation by women, Hispanic, African-American, and Asian farmers have been recorded throughout the state. In addition, all of California's 32 County Offices and the State Offices have participated in the creation of a statewide strategic plan that will be the blueprint for future outreach activities. FSA has greatly increased contacts with numerous agricultural and rural based organizations in California through personal connections, expanded use of county and state newsletters, updated and bilingual web page announcements, attendance at local employment and career development fairs, targeted use of local minority media outlets, sponsorship of small farm conference participants, and other means.

- The California FSA views outreach to the Golden State's small and limited resources farmers as a continual process. Offering FSA programs and services to these farmers and ranchers will be one of the agency's primary goals in the first years of the 21st century.

Some highlights:

- California FSA annually publishes an Outreach Directory. The 2000 update reflected a 30 percent increase in the number of listings.
- Bilingual employee capability has increased in key areas of California.
- As of May 2000, 31 percent of the total loans made in California have gone to socially disadvantaged applicants.
- Monterey area FSA offices have developed special programs designed for Hispanic farmers, including bookkeeping courses, mentoring Latino growers, and publication of Spanish language newsletters and agency announcements.
- Loans to Hmong growers in Fresno County have gone from zero in FY 1998 to 43 loans currently. In addition, participation in FSA farm programs has also increased.

COLORADO

- A Forum for Local Assistance was held in La Jara and San Luis, Colorado. These two cities are the most economically deprived areas in Colorado.
- The San Luis Valley area is working to become an organic-based farming center. It also has the potential to benefit substantially from Rural Development (RD) and Resource Conservation and Development (RC&D) in efforts to develop value-added agriculture opportunities.
- FSA is continuing to work with the Southern Ute Reservation and the Ute Mountain Tribes to provide the opportunity to offer cost share assistance to producers who do not have enough feed to maintain their livestock program on the reservations. The Montezuma County FSA office provides operating loans to tribal producers. There are approximately 120 tribal members that are



agricultural producers, including 30 agricultural producers from the Ute Mountain Ute Tribe and 90 agricultural producers from the Southern Ute Tribe.

GEORGIA

- Team Agriculture Georgia (TAG) has conducted four very successful workshops for small, beginning, and limited-resource farmers. More than 200 people have attended three of the Workshops. Topics presented by technical experts included marketing specialty crops, financing small farm operations, greenhouses, organic production and certification, irrigation/water management, ABC's of poultry, and alternative crop enterprises. Evaluations completed by participants indicate a high success rate and an expressed need to continue these workshops.

TAG is an organization comprised of Federal and State agencies, agricultural groups, state agricultural educational institutions and non-governmental agricultural organizations. The Georgia Food and Agriculture Council (FAC) created TAG in 1996 to provide collaborative outreach efforts for farmers with an emphasis on limited-resource, small, and beginning farmers. A 60-page TAG Directory of all members has been widely distributed and offers landowners a quick reference to agriculture-related services in their home county. A TAG homepage was developed and is housed on the Fort Valley State University server. The web site address is: www.ag.fvsu.edu.



IDAHO

- Idaho State FSA is increasing interest, activity, and membership in the State Outreach Council through diverse guest speakers and “on-the-road” meeting locations to reach underserved farmers and ranchers.
- A full-time State Outreach Council participates in functions sponsored by the Idaho Commission on Hispanic Affairs and promotes agency programs at the Northwest Intertribal Agriculture Council Conference. News releases on new programs, program updates, and filing time frames are provided to over 80 Idaho Agriculture Associations and over 30 newspapers.
- County Offices throughout Idaho are participating in local county fairs with outreach displays. FSA will participate in the “Ag Pavilion” with a display at both the Eastern and Western Idaho State Fairs.
- In FY 2000, the state made a total of 98 beginning farmer operating and farm ownership loans and a total of 33 limited-resource farmer loans. The State Executive Director meets periodically with tribal council members on Idaho's five reservations to provide information on all FSA programs.

IOWA

- A letter was sent to over 350 fruit and vegetable growers and to the Iowa Fruit and Vegetable Growers Association highlighting the provisions of the non-insured crop disaster assistance program and efforts to fight hunger.
- The State Outreach Council has been developing a partnership with the Ecumenical Ministries and the National Catholic Rural Life Conference. Through this alliance, twenty “Seeds of Connection” meetings were scheduled throughout the State. These meetings were held to reach farm families being affected by the ongoing farm crisis. The meetings allowed all USDA agencies to explain available assistance programs. In addition, churches, health professionals, and other partners were able to network with these families.



- The Iowa State Office sent a letter to numerous farmer organizations, media outlets, Congressional, State, and local government offices. The letter highlighted the work accomplished by our county office employees and thanked the addressees for their support and understanding. It also outlined the current programs and payments that have greatly benefited farm families and rural communities in Iowa.
- The Buena Vista County Office in northwest Iowa has helped establish a USDA Diversity Focus Group that is assisting Hispanic and Laotian families by providing garden plots, plants, seeds, information, and education. This community has had some local problems with diversity issues and this USDA project has helped create a common ground for communications. Many local citizens, businesses, and government agencies have joined together to make this project a success.

LOUISIANA

- On January 28, 2000, the Farm Service Agency directed all county offices to establish and conduct meetings (a minimum of once each quarter) with outreach working groups. The primary function of these groups will be to do the following:
 - Provide information to small and minority farmers
 - Identify barriers that keep minority farmers participating in Farm Service Agency programs, and
 - Develop steps designed to remove the barriers identified. By conducting these meetings in every county office, it is possible for as many as 8,000 minority farmers to benefit directly or indirectly from this group's efforts.
- On April 18, 2000, FSA personnel participated in the first official meeting of the newly formed community based organization, *Northeast Louisiana Small Farmer and Landowner Association*. This organization represents the predominantly minority, small farmers in nine northeast Louisiana parishes. Approximately 75 farmers attended, but it is expected that this association's membership will increase to approximately 300.

- On June 6, 2000, a Farm Loan Specialist manned an information booth at the annual FSA convention in Alexandria, Louisiana, where pamphlets and brochures outlining FSA programs and services were handed out. Approximately 1,000 people attended this convention.
- On June 24, 2000, FSA personnel manned an informational booth at the annual Southern Foundation Field Day in Plaisance, Louisiana. This is an annual event where programs designed specifically for small farmers and ranchers are discussed. In addition, field plots were inspected. An average of 150 people, mostly minority operators, attend each year.

MARYLAND

- **Economic Assistance to Small Farmers:** In 1999, the Maryland Department of Agriculture (MDA) offered \$3 million in disaster assistance to local producers by expanding the State's existing Cover Crop Cost Share Program and by allocating emergency funds to livestock producers whose livelihoods were threatened by the prolonged drought.
- **Emergency Feed Assistance Program:** Through cooperation between MDA and FSA the Emergency Feed Assistance Program allowed farmers to replenish hay and other feed for their livestock that had been reduced due to poor summer production. Producers who lacked financial means to meet their livestock feed needs applied for grants to offset these costs. The grants, which were based on a case-by-case assessment of need, were designed to meet the short term feed requirements for that producer.
- **Pasture Recovery Program:** The Pasture Recovery Program paid farmers up to \$25 an acre to plant cover crops as a source of feed for their livestock and as a mechanism to absorb unused crop nutrients remaining in the soil as a result of the drought. Crops such as rye, wheat, barley, and spring oats were planted in September and October 1999. The existing program assists farmers on 73,884 acres with over \$1.8 million in payments in 1999.



- **Technical Assistance and Outreach:** FSA collaborated with 2501-C Program Outreach, Technical Assistance Staff at the University of Maryland Eastern Shore, a historically black land-grant university. This outreach effort is targeted to small, limited resource, and minority farmers. The FSA is working with the Maryland Cooperative Extension, NRCS, extension agents, and specialists to deliver USDA program information to State producers. In every county, the Maryland Cooperative Extension offers a “Pro-Farm” seminar series to help farmers become better business managers.

MASSACHUSETTS

- The Dracut area has increased cropland acreage as well as the number of Southeast Asian growers. Two growers want to expand their operation and have inquired about FSA Farm Ownership Loans. The Lowell Farmers Market has changed location and the demand for locally grown Southeast Asian crops is very high. To date, FSA has processed 14 loans for Southeast Asian growers with a value of \$150,000 for this project. Farmed acres are expanding in Worcester County.

In Lancaster, acreage increased from 15 to 20 acres with five commercial growers and several dozen families. Ashburnham has eight acres, one commercial grower, and ten acres for home use. Bolton has three acres with one commercial grower. Additional land will be available in



2001 with greenhouse space. The town of Amherst has several Southeast Asian growers on five acres of land. In order to address the Southeast Asian growers’ needs for additional land, an intern will work in the county office to identify additional farmland for rent or purchase.

MINNESOTA

- **Minnesota Food Association:** FSA has been able to assist new immigrants and small farmers through a Cooperative Agreement with the Minnesota Food Association in partnership with RMA and other State agencies. The program implemented a comprehensive training/mentoring program to provide support to new immigrants in converting their agricultural experience, skills, and abilities to a sustainable and organic production farming enterprise.
- **Fond du Lac Community College:** FSA is partnering with the Fond du Lac Community College in a 5-year project to provide outreach for FSA youth, beginning farmer, and other farm loans to American Indians within a 200-mile radius of the college located in the State of Minnesota. This college is a 1994 Native American Land-Grant Institution. Under this project, the college hired a full time American Indian outreach worker to facilitate and coordinate outreach.

MISSOURI

- FSA will partner with the State of Missouri to disseminate information regarding the “MC+ for Kids” program. MC+ for Kids is part of the Federal Children’s Health Insurance Program, and is Missouri’s health insurance program for uninsured children of families who do not have access to affordable health insurance. Having access to adequate health insurance coverage for children is crucial to the well-being and success of Missouri’s farm families. A farmer or rancher could lose his or her income or livelihood due to a child’s accident or injury. Brochures containing enrollment and services information will soon be available in all Missouri County FSA offices.



MONTANA

- **Statewide Farm Loan Outreach Meetings:** Montana had 15 farm-loan outreach meetings statewide, including one on each of the seven Native American reservations in Montana. The meetings focused on servicing options when producers have a hard time making their payments. FSA has the Stone Child College Credit Outreach project with three staff members working with new borrowers and youth loans on the reservations. The State Federal Agriculture Council (FAC) Outreach Council has held outreach sessions on each of the reservations, and in May 2000 it held a 3-day statewide Tribal Services Conference in Bozeman. FSA sponsored three scholarships for limited-resource producers to attend this conference.
- **National Tribal Development:** FSA is partnering with the National Tribal Development Association (NTDA) in a 5-year project to provide outreach to the seven Federally recognized Tribes in the State of Montana for FSA's youth, beginning farmers and other farm loans to American Indians. NTDA has partnered with the SCC (Rocky Boy Reservation), Little BigHorn Community College (Crow Reservation) and S&K Holding (Flathead Reservation). All three colleges are 1994 Native American Land-Grant Institutions. Under this project the colleges hired three full-time American Indian outreach workers to facilitate and coordinate these outreach efforts.

NEW MEXICO

- FSA makes operating loans to individual rural youths, 10 to 20 years old, to establish and operate income-producing projects. Two direct loans were made—one was a \$5,000 livestock loan to Keith, age 20, and the other was a \$5,000 farm crop production loan to Victor, age 16. Significantly, these FSA loans are the first youth loans made to New Mexico Pueblo Indians and are the first disability youth loans in the nation.

PUERTO RICO

- **Outreach Training and Technical Assistance to Small and Limited-Resource Farmers:** FSA continues to work with the University of Puerto Rico at Mayaguez and the Puerto Rico Agricultural Extension Service to provide outreach, training, and technical assistance to small and limited-resource farmers to ensure that all farmers in Puerto Rico are aware of FSA programs and services. The goal of the program is to improve the farm income through better management and financial analysis and to provide assistance for small farmers to assure they have access to all services available through various FSA programs.

The program also provides recipients with both the technical means and the necessary knowledge to develop financial documentation for their individual farm businesses. This will enable them to improve the quality of their farming operations, their financial status, and eventually creditworthiness to commercial loan institutions.



Rural youths plant vegetables in garden as part of an FSA program, which provides operating loans to individual rural youths.



FSA has been working with the Hmong United Association of Rhode Island on developing their farm operation at J.L. Curran Park in Cranston, Rhode Island.

RHODE ISLAND

- FSA has been working with the Hmong United Association of Rhode Island on developing their farm operation at J.L. Curran Park in Cranston, Rhode Island. Members of the Association farm approximately 6 acres of their 12-acre lease from the State of Rhode Island. Last year, approximately 50 families participated in the ongoing production. They have found the tillers helpful, but are still restricted on maximizing their production due to the lack of a dependable water supply. They also hope to increase production by constructing a greenhouse type structure in the future to produce vegetable transplants and extend the limited growing season. They also sought assistance with insect and weed control.

Currently, the Association does not consistently produce sufficient quantities of Southeast Asian vegetables to dependably supply local farmers markets, stores, and restaurants. They do sell their limited production at local markets and donate vegetables to the Rhode Island Food Bank when their supply is adequate. The Association applied for another 1-year lease for the land from the State of Rhode Island. Under current regulations, they must apply for this lease yearly. The Association obtained the 1-year lease from the State of Rhode Island. The farmland

was planted and approximately 41 families are farming the parcel. Crops look good and growing conditions are adequate so far this season. Also, they are in negotiations with two local farmers to prepare the land for spring planting. FSA will be scheduling a workshop in the spring that will cover insect and weed control methods. FSA is in the process of obtaining educational videos from the Rhode Island Extension service on small farm cultivation, pest and weed control, and accepted best management practices.

FSA's main contact with the Hmong United Association of Rhode Island, Mr. James Kue, has left the organization and FSA is working with his interim replacement, Mr. Pao Yang.

- FSA contacted Joseph Victor Cooper from the Hope of Liberia, a nonprofit organization that aids the homeless and hungry. The organization is situated in Central Falls, which is an underserved area of Rhode Island. It requested assistance with obtaining farmland for vegetable production. Hope of Liberia represents approximately 500 families interested in farming and food gleaning. At this time, FSA is still assessing the situation and future meetings will be scheduled.

SOUTH CAROLINA

- The Small Farmer and Landowner State Outreach Committee is comprised of seven small farmers who attended the Southeastern Landowners Outreach Conference in Birmingham, Alabama, in January 1999. They formed a committee for the purpose of outreach to small farmers and landowners in South Carolina. A very successful outreach workshop was conducted in Saluda and then in five additional counties. This outstanding committee of farmers planned additional workshops in 2000. On March 30, 2000, the Florence County Executive Director (CED) met with the Small Farmers Outreach Community leaders at Lynches River County Park. The USDA and other state and local officials who attended addressed the concerns of community leaders. This type of meeting will be an ongoing endeavor in Florence County.



VIRGINIA

- FSA's Virginia County Office employees upgraded their customer service in several areas to ensure that tobacco farm owners and operators have completed the necessary forms correctly for the Tobacco Trust Fund Payments. Many of these owners and operators are limited-resource or minority individuals.
- FSA has launched a massive outreach campaign to ensure that limited-resource and minority producers are aware of the many new programs available through FSA. Through outreach meetings, farm tours, and personal contacts, over 2,620 minority producers statewide were contacted. These personal contacts included telephone calls, meetings in producers' homes, and informal meetings, which are sometimes held in grocery store parking lots.

WASHINGTON

- During 2000, FSA has made a concerted effort to reach out to small farmers and ranchers. Through increased communication efforts, the State and county offices provided program information to landowners who have not traditionally worked with the agency.
- The Beginning Farmer Loan Program specifically targets small and limited resource operations. During FY 2000, FSA in Washington provided 83 direct operating loans for more than \$5 million and 16 direct farm ownership loans for almost \$2.5 million. FSA provided 38 guaranteed operating loans for more than \$6 million and 6 guaranteed farm ownership loans for almost \$2 million. The Farm Loan staff has developed a curriculum for informational meetings for new loan applicants.



Red delicious apple orchard in Yakima Valley, WA.

- FSA is teaming up with the Risk Management Agency, Cooperative Extension, Washington State University, and others to develop a workshop curriculum and materials for orchard growers to assess risk (financial analysis, goal-setting, marketing, communication skills, etc.) related to their farming businesses. Family orchards and limited-resource farmers are the targeted audience. FSA anticipates this will benefit many FSA borrowers who operate orchards. Small operation producers, particularly fruit and vegetable farmers, benefited from the 1999 Crop Disaster Program, which was implemented in 2000.

The Small Hog Operator Program targeted small operations. Small and larger dairies enrolled in the Dairy Market Loss Assistance Program. These programs have helped keep some of the smaller operations in business.

- The Conservation Reserve Enhancement Program (CREP) is also appealing to participants not enrolled in FSA's traditional programs. The Lummi Nation has land enrolled in CREP and the Yakama Nation is working on a CREP agreement with FSA.



- FSA took the lead in coordinating eight USDA Farm Bill Listening Sessions throughout the State. Producers not traditionally served by FSA were encouraged to participate. One meeting was specifically for American Indian tribes. The State Committee, program specialists, and former Under Secretary toured small fruit and vegetable farms on the west side of the State to determine how to better fit FSA programs to the needs of small, diversified operations.

The State Committee, program specialists, and representatives from USDA's Foreign Agriculture Service and Washington State Department of Agriculture visited Hispanic growers and small farm operators in the south-central part of the State.

- Working with the Spokane Agriculture Bureau, the Farm Service Agency helped plan a farm show and seminar series targeting landowners with 5-80 acres. The show had nearly 3,000 participants in its first year.

WEST VIRGINIA

- FSA has been able to assist small farmers in developing a pasture treatment under the Pasture Recovery Program. Many producers in this and other States who rely on cash auction sales of small numbers of ruminant livestock were looking at a drastic loss of income due to the 1999 drought.
- This program has helped their vegetation recover to the point that small foundation herds did not have to be sold due to lack of grass or feed after the immediate effects of the drought had passed. The terrain in the State limits agricultural enterprises to available resources, many of which are small grassland operations for beef, sheep, dairy, and goats. Few producers had the resources to maintain herds longer than their normal winter-feeding periods.

- The West Virginia Department of Agriculture was willing to accept FSA determinations on the Emergency Conservation Program (ECP), for drought and provide an average of 26 percent additional cost-share for ECP practices. This brought the cost-share of Federal and State sources to a minimum level of 76 percent and a maximum level of 90 percent, depending on the practice completed. With the unprecedented effects on water systems that were in use prior to the onset of the drought, if producers had adequate feed, many did not have water.

The additional State funds made a difference in determining not to disperse herds. Since FSA already conducted its own program, it only made sense that the effort not be duplicated by the State for the distribution of its funds.

FSA National Outreach Projects

- **National Tribal Development Association:** This is an annual media blitz to reach out to American Indians about FSA's county office committee elections. The purpose of this project is to inform, encourage, and assist American Indians across the United States to participate in and be elected to FSA county committees.
- **Intertribal Agricultural Council (IAC):** FSA is partnering with the IAC in a 5-year multi-Agency project to provide information on all USDA programs to Native Americans and Tribal leaders throughout Indian country. Under this agreement the IAC hired four full time outreach workers, located throughout Indian Country, to coordinate and facilitate the outreach efforts. Other USDA agencies working on this project are RMA, APHIS, and NRCS.



Food and Nutrition Service (FNS)

- The steady growth and success of the WIC Farmers' Market Nutrition Program (FMNP) has prompted several successful outreach activities. FNS continues to hold regional training conferences to encourage more states and Indian Tribal Organizations to participate in nutrition programs. In addition, FNS continues to be an active participant in the annual national conference of the National Association of Farmers' Market Nutrition Programs (NAFMNP).
- With FNS assistance, the NAFMNP produces an annual impact report on program operations for the FMNP. The FMNP Impact Report is the primary document used by FNS and the NAFMNP to describe the administration and outcome of the FMNP and continues to be a valuable outreach, training, and marketing tool. In support of promoting the consumption of fruits and vegetables among WIC families and in support of the FMNP, FNS issued copies of recipe cards and a *Get Fresh* video to WIC State agencies in English and Spanish.
- FNS conducted site visits of all grantees that participated in the Seniors Farmers' Market Nutrition Pilot Program (SFMNPP) in FY 2001. In addition, FNS created a web site for the SFMNPP. You may visit the site at www.fns.usda.gov/wic/SeniorsFMNP/SFMNmenu.htm.



Fresh fruits and vegetables, herbs, honey, maple syrup, baked and canned goods, and other wonderful things are found at USDA Farmers Markets.



Extension professionals link families and communities with recent information on food safety and nutrition.

Food Safety and Inspection Service (FSIS)

- The Animal and Egg Production Food Safety Staff gave Production Level Food Safety presentations and staffed FSIS exhibits at two national conferences for underserved farmers and ranchers in FY 2001. FSIS made over \$137,000 available in non-assistance cooperative agreements through the Animal and Egg Production Food Safety Staff in FY 2002.

With the intent to implement HACCP-compatible food safety production level programs for underserved populations of farmers and ranchers, FSIS is working with the following 1890, 1994, and Hispanic Association Colleges and Universities (HACU):

- Langston University, Langston, Oklahoma (1890, with sub-grants to 1994 and HACU)
 - Florida A&M, Tallahassee, Florida (1890)
 - New Mexico State University, Las Cruces, New Mexico (HACU)
 - Southern University, Baton Rouge, Louisiana (1890)
- FSIS budgeted approximately \$130,000 for an Animal and Egg Production Food Safety Conference held in July 2002 in San Juan, Puerto Rico. The intent is to provide liaison from the U.S. mainland and education on HACCP-compatible food safety production level programs for



farmers, ranchers, agricultural educators, researchers, and industrial organizations in:

- Puerto Rico
- Spanish speaking Caribbean
- Spanish speaking Latin America.

Foreign Agricultural Service (FAS)

- FAS works with foreign countries to improve foreign market access for U.S. products. FAS operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the global marketplace. FAS bears the primary responsibility for USDA's overseas activities—market development, international trade agreements and negotiations, and the collection and analysis of statistics and market information. It also administers USDA's export credit guarantee and food aid programs, and helps increase income and food availability in developing nations by mobilizing expertise for agriculturally led economic growth. FAS also enhances U.S. agriculture's competitiveness by providing links to world resources and international organizations.
- FAS Outreach programs identify potential FAS customers/stakeholders, especially the traditionally underserved, limited-resource customers/stakeholders and provides effective access to FAS information, the expertise of its employees, and the benefits of participating in its programs and services by increasing the customers' understanding of the agency and the ways to access its resources.
- The FAS small farms coordinator tracked the implementation of FAS small farm policies and programs and acted as an advocate for small and disadvantaged farmers on various small farm issues. FAS entered into a Memorandum of Understanding (MOU) agreement with "The Rural Coalition" to assist small-scale producers, underserved farmers, and cooperatives in making export sales. FAS and USDA's Rural Business-Cooperative Service began a partnership and entered into an MOU to develop outreach programs to improve the

competitiveness of small farms, recognizing that they represent an avenue to economic independence for a diverse group of Americans.

- FAS helped tailor a pilot program to help small and minority producers in Alabama, Georgia, and Mississippi master the fundamentals of international marketing. During 2001, the Secretary of Agriculture announced that USDA would provide \$500,000 to help small farmers develop new ways to market their products domestically and internationally.

As part of this project, FAS would offer export readiness training to small farmers and ranchers that will form cooperatives as a marketing tool to export their crops.

- In an effort to help expand Federal-State partnerships, FAS Outreach worked with the National Conference of State Legislatures (NCSL) to educate State legislators on the implications and benefits of agricultural exports, imports, and international trade law. FAS outreach made numerous presentations on agricultural trade before the State legislatures and testified before the NCSL International Trade Committee on numerous occasions on the benefits of agricultural trade.

FAS Outreach worked with NCSL to plan an agenda and speakers for the first "Farming for the Future" State legislative conference. The conference, held for 2 days in March 2000, in Colorado, focused on agricultural trade, rural development, and biotechnology. Before the "Farming for the Future" conference, FAS Outreach drafted and sent more than 1,100 letters from USDA's Under Secretary for Farm and Foreign Agriculture Services to State legislators discussing the conference and the importance of China Permanent Normal Trade Relations (PNTR). FAS presented information on export programs and markets to state legislators in Hawaii and conducted a video teleconference for Hawaii farmers explaining various FAS services and programs. FAS also met with Hawaiian state senators to learn how FAS can assist farmers transitioning from plantation agriculture.



- Through media outreach in major newspapers such as *The Wall Street Journal* and cooperation with other Federal agencies such as the Farm Service Agency, FAS Outreach helped to develop new partnerships to promote exports at a grass-roots level to respond to the needs of small-scale and underserved farmers. USDA's FAS and the Department of Commerce's Foreign Commercial Service (FCS) have been working to identify areas of further cooperation and coordination to engage more companies in exporting, and in turn more fully utilize USDA export assistance programs and services. In order to better leverage the resources of local, State, and Federal export service providers within a particular State, the concept of State specific Agribusiness Teams has been developed.

The team would be composed of in-State export service providers such as Small Business Development Centers and related export assistance centers, all under the direction of the State Agriculture Commissioner. In short, the mission of an Agribusiness Team would be to provide a seamless delivery of export services at the State level to U.S. agricultural and food companies and other trade interests. The objective of the team is to utilize the strengths of the export entities to maximize value to U.S. businesses, while avoiding duplication of effort in the expansion of food and agricultural exports. The overall goal is to increase States' exports of U.S. food, fish, forestry, fiber, and agricultural products.

- The FAS and the Business Women's Network (BWN) are discussing ways to formalize cooperation in the development, enhancement, and expansion of outreach efforts to women in agriculture, involved in both on- and off-farm activities, by disseminating information about FAS programs and services throughout BWN affiliates and members. The goal is to increase the number of U.S. agri-women involved in exporting through a targeted, grass-roots information, education, and technical training campaign. Approximately 96 percent of the world's consumers live outside of the United States, and yet only 10 percent of U.S. food companies export. Additionally, women solely own 40 percent of all private agriculture land in the United States. Agricultural exports add to



FAS works with foreign countries to improve market access for U.S. products.

farmers' income and create employment both on and off the farm. There is great potential within the growing base of all small businesses now owned by women in the United States.

- Four Cochran Fellowship Program participants from the Republic of Georgia participated in an Agricultural Policy program designed by Fort Valley State University in Georgia. The four participants were interested in how the United States provides rural communities' agricultural education programs, and helps small farmers develop markets for agricultural products. At Fort Valley State University, the participants were hosted by the Extension Service, participated in seminars, and visited a major U.S. farm equipment trade show. The group consisted of three Georgian Ministry of Agriculture staff and one educator.
- Lincoln University organized a comprehensive training program for farm managers and extension specialists from Croatia (1), the Czech Republic (1), Bosnia and Herzegovina (2). The Cochran fellows learned how the university extension system assists farmers. The fellows met with farmers, 4-H clubs, farm businesses and associations, credit institutions, and government agencies where they gained an understanding of how each entity assists in providing information to farmers and improving farm management. Participants visited the Missouri Farm



Progress Show 2000. The program exposed international agriculturalists to the U.S. system of agricultural extension and education, while exposing U.S. farmers and businesses to international contacts. The long-term outcome of such a project should enhance the food sufficiency for these countries—thus enhancing their economy. Lincoln University and the Cochran Fellowship Program also collaborated in the development and implementation of an agricultural finance program for participants from Azerbaijan (2), Kyrgyzstan (6) and Uzbekistan (1). Training focused on evaluating credit applications, collateral requirements, non-bank sources of credit, and lending to low-income borrowers.

- North Carolina State University, in conjunction with North Carolina A&T University, worked with Moldovan farm managers on organic agriculture. Europe is currently undergoing a major revolution in its desire for organic products. It is essential for the economic survival of Moldova to be able to supply a small portion of this market. It is expected that the knowledge gained by the individuals will help them in addressing the changes needed in their agriculture and in making the transition to a free market status. The training expanded U.S. farmers' outlook on the international marketing of organic products.

Forest Service (FS)

- **Identifying Underserved Customers:** The FS started requiring the collection of data on the ethnicity and gender of forest landowners in America that receive services from Cooperative Forestry (CF) programs. This data is collected at the field service level providers, both State and Federal. Collecting such data has enabled CF to determine if the programs are reaching underserved populations. CF manages most of the programs delivered directly to landowners by the FS.
- **Involving and Assisting Underserved Groups:** The FS provided significant financial support for technical tree nursery training for Native Americans; follow-up assistance; and translating technical journals, worksheets, and other publications into Spanish for education of Hispanic youth and the Hispanic work force and general populations. Funding has been provided to allow for training in every county in Mississippi for all forest landowners, targeting the small farmers and African-American landowners.
- **Small Farms and Landowners Conference:** The FS provided technical and financial support to the Small Farms Conference, July 23-25, 2001, held in Memphis, Tennessee. This conference provided technical information to community-based organizations, bankers, universities, and others that provide on-going assistance to small and limited-resource farmers, woodland owners, and other USDA customers. Financial and technical assistance was also provided to support the Southeast Small Farms and Landowners Conference in Perry, Georgia for underserved and minority landowners. Significant funding and technical support was provided for the 2nd Annual 1890 University Faculty Training Workshop at Alabama A&M University in June 2001 on the subject of riparian forest buffers.
- **Forest Taxation Network:** The FS has provided leading-edge technical expertise in the area of forest taxation. It will initiate a Board of Directors to set a strategic direction for forest taxation technical assistance and information development. In 2001, the network revised many documents on taxation and updated a National Timber Tax Web site, which is available through the FS web site. Revised documents include "Forest Landowners' Guide to Federal Income Tax" and "Most Frequently Asked Questions." Being on the FS web site makes these documents more accessible to everyone. The web site received over 600,000 hits from March to October 2001.
- **Farm Bill Activity:** The FS, working with numerous Federal and State Agencies and partners, has helped to develop options for the 2002 Farm Bill that will make technical, educational, and financial assistance available to forest landowners with consideration of no minimum acreage limitation. A web site, *Forestry in the Farm Bill*, has been established with a link to the *National Farm*



Bill web page. These actions have put nonfederal forestland management issues in the middle of discussions and actions on forest policy and farm bill developments.

- **Dissemination of Information to Non-industrial Private Forest (NIPF) Landowners:** In cooperation with State Foresters, the FS has developed the National Network of Private Forest Landowners (NNPFL). These groups will continue their organization, holding meetings, and networking with other landowner associations to benefit America's 10,000,000 private forestland owners.
- **Increased Awareness of Natural Resource Careers:** In conjunction with the National Forest System, State and Private Forestry and the National Hispanic Environmental Council, FS conducted a series of weeklong workshops in the Carson National Forest in New Mexico for Hispanic and other minority youth throughout the United States to promote awareness of natural resource careers in the FS and USDA.
- **Assistance to Underserved Communities:** Through Rural Community Assistance programs and other programs, the FS provided direct financial, technical, and organizational assistance to over 215 tribes and minority communities to improve their economic stability.
- **Community Outreach:** The FS coordinated a Memorandum of Understanding with the Asian Pacific American Employees Association, the FS Civil Rights Director, the FS Regional Forester in Region 5 and 6, and the Director of the Pacific Northwest and the Pacific Southwest Research Stations to establish a partnership and provide collaborative leadership in implementing the Asian Pacific American Community Outreach and Program Delivery Plan. There has been a coordinated effort to translate "Measuring Community Success and Sustainability: An Interactive Workbook" into Spanish in partnership with the North Central Regional Center for Rural Development (NCRCRD). The Workbook, which helps communities learn how to measure local and regional impacts of economic and community development, natural resource conservation, and civic development processes, will be available from NCRCRD in hardcopy or on the Internet at www.ncrcrd.iastate.edu/ along with the English-language version.
- **Program for Native American Students:** Working with a variety of partners, the FS provided funding to develop a training model for the exchange of Native American High School students between Alaska and Hawaii. The financial assistance was aided with technical assistance in both States to help locate and develop training sites for the exchange. The success of this model will determine future support for expanding this project.
- **Public Outreach Toolkit:** A public outreach toolkit has been developed by the FS to assist FS and State program managers in reaching all segments of society, including underserved populations and communities, so that programs and activities are accessible to all who qualify. It is also designed as a guide to increase awareness of agency expectations and to help make community outreach efforts more effective.
- **Urban Area Outreach:** FS, through the Collaborative Forest Restoration Program, has specifically reached out to, and included, 9 Hispanic radio stations, 84 Hispanic businesses and individuals, 5 Native American radio programs, 1 Native American newspaper, and 71 tribal/pueblo groups and individuals.





An MOU was signed with HUD to provide technical and financial assistance on urban forestry to their Hope 6 Public Housing program and projects. Focused funding was allocated in FY 2001 to stabilize and improve the stewardship of natural resources in inner cities. New cities have been added this year beyond those reached through the Urban Resources Partnership Initiative.

We also participated in the planning for the Urban Forestry Forests Forum in Atlanta May 7-11, 2001, to help define and focus an urban strategy for urban national forests. The FS Washington Office and Southern Region combined to provide technical leadership assistance and support to the National Conference of Black Mayors held April 7-11, 2001, in Savannah, Georgia.

- **Support for the National Endowment of the Arts (NEA):** The FS has continued the multi-year partnership with the NEA to provide grants to underserved rural communities in targeted States/regions that have the potential to combine natural resources, the arts, and rural development. This grant program has been very effective in attracting proposals from tribes and minority communities that do not typically respond to programs associated with natural resource management agencies.
- **Grants and Cooperative Agreement Opportunities:** The FS has significant grant and cooperative agreement opportunities that it uses to focus funding. Utilizing the National Cooperative Forestry Investment Process, over \$1,000,000 in funding is set aside annually to solicit and finance projects using a well-defined system of outreach, feedback, recommendations, decisions, and reports. An additional \$1,000,000 is set aside for the Secretary's National Urban & Community Forestry Advisory Committee to use in making competitive grants, many of which are focused on minority communities.



An inspector for the USDA Grain Inspection, Packers & Stockyards Administration examines beef in a supermarket to ensure the use of better food safety practices within the food industry's chain.

Grain Inspection, Packers and Stockyards Administration (GIPSA)

GIPSA continues its outreach activities to help ensure that farmers and marketers are aware of Grain Inspection and Packers and Stockyards activities and programs. Annually, GIPSA sponsors or participates in over 40 outreach activities, meetings, and industry presentations.

- **Regional Workshops for Small and Disadvantaged Farmers.** GIPSA participated in two major regional workshops for small and disadvantaged farmers: the Agricultural/Natural Resources Workshop For Farmers July 11-13, 2001, in Perry, Georgia, and the Risk Management Strategies Workshop for Small and Limited Resource Farmers July 23-25, 2001, in Memphis, Tennessee. The workshops provided an opportunity for GIPSA and other USDA agencies to focus on the challenges facing small and limited-resource farmers.
- **Minority Science Conferences.** GIPSA provided support and funding to the National Minorities in Agriculture Natural Resources and Related Sciences Conference.



- **Student Recruiting Initiatives.** GIPSA provided support and funding for student recruiting initiatives with Kentucky State and Southern University.
- **Intern Programs.** GIPSA hired over 20 interns from a variety of universities through such programs as the Washington Intern Program for Native American Students, DC Federal Jobs Initiative, DC Summerworks Program, Washington Intern Program for Disabled Students, HACU, and the Tribal College Initiative. GIPSA provided funding and support for the Annual Black Farmers Conference.
- **1890 Scholarship Program.** GIPSA provided assistance to minority students through the 1890 Scholarship Program, and the FGIS Scholarship program.
- **Minority and Small Agri-Businesses.** GIPSA supports and participates with Tennessee Outreach Council providing support to minority and women-owned small agricultural businesses.
- **University Funding Support.** GIPSA provided ongoing support and funding for the Regulatory Science Program at the University of Arkansas at Pine Bluff. Funding is provided to curriculum development, faculty support, and student recruitment.
- **Excess Property Donations to Schools.** GIPSA provides excess property (computers, laboratory equipment, etc.) to local high schools, HACU, and HBCU's.
- **Role of Biotech Grain:** GIPSA has taken the lead in meeting with farm organizations and commodity groups to determine the role of the USDA in regulating biotech grain.
- **Poultry Outreach Meetings:** GIPSA held a series of poultry outreach meetings during fall 2000. Poultry growers, most of whom are small farmers, were targeted for attendance; however, all segments of the industry were invited. The industry's issues and concerns were addressed. A new feed weight regulation was explained along with a discussion concerning additional rules that might be considered for the industry. A handbook on poultry production contracts was distributed.
- **Cattle and Sheep Outreach Meetings:** A number of Cattle and Sheep Town Hall meetings were held during the winter of 2000 and spring of 2001. As with the Poultry town halls, these meetings targeted small, minority, and disadvantaged producers.
- **Hog Producer Meetings:** GIPSA met with hog producers throughout 1999 and 2000 in sixteen meetings with nearly 1,400 producers attending to hear the results of the 1996 Midwest hog investigation and other investigations. GIPSA has also met with an additional 2,000 hog producers (mostly small farmers) to explain GIPSA's restructuring, recent investigations, and USDA assistance for hog producers.
- **Native Americans:** GIPSA and other USDA agencies met with the United Keetoowah Band (part of the Cherokee Indian Tribe) to explain USDA programs designed to meet needs of Native Americans and rural communities. GIPSA coordinates the USDA American Indian Higher Education Consortium (AIHEC) activity and serves as Co-Chair of the USDA/AIHEC Leadership Group. This provides better opportunities for USDA to collaborate with AIHEC Institutions and provide technical assistance to Native Americans.
- **Meetings with State Officials:** GIPSA held meetings, focusing on grain and livestock issues, attended by State Attorneys General, Heads of State, Agricultural Departments, and representatives from the USDA during 2000. These meetings provided an opportunity for various governmental bodies to focus on the challenges associated with the changing face of agriculture. Major issues of concern to small producers and others that were discussed included concentration and mergers in agribusiness, production and marketing contracts, packer ownership of livestock, and mandatory price reporting legislation.



- **Millennium Conference:** Some 450 people registered and participated in GIPSA's "Vision for the Millennium Conference" on structural changes facing livestock and grain markets in the 21st century. The conference was held May 9-10, 2000, in Kansas City, Missouri. Farmers, ranchers, industry representatives, academics, and Federal and State representatives attended the conference.

The conference celebrated the accomplishments of American agriculture over the past 100 years, discussed current forces for change, and debated the merits of innovation and structural changes. Various speakers addressed the major challenges and opportunities they have faced and that will face farmers and ranchers as a result of changes in technology, international markets, consumer demand, concentration, consolidation and mergers, vertical coordination, changing marketing institutions, and other forces.

- **Hotline:** A GIPSA toll-free telephone hotline (1-800-998-3447) was established that enables producers to easily express concerns and record complaints or provide information about possible violations of the United States Grain Standards Act, the Agricultural Marketing Act, or the Packers and Stockyards (P&S) Act.

- **Cattle and Hog Assessment Report:** In June 2001, GIPSA published an annual assessment of the cattle and hog industries as required by the Grain Standards and Warehouse Improvement Act of 2000 (Pub. L. No. 106-472). The report does as follows:
 - (1) assesses the general economic state of the cattle and hog industries,
 - (2) describes changing business practices in those industries, and
 - (3) identifies market operations or activities in those industries that appear to raise concerns under the P&S Act.

Natural Resources Conservation Service (NRCS)

DELAWARE

- The Kent Field office has made a special outreach effort to provide assistance to the Amish community. There are 70-100 Amish farmers in the area. Most of the farms are self-sufficient and the crops grown are used on the farm. A farm program brochure highlighting available USDA programs was distributed to area Amish businesses.



NRCS field offices provide assistance to the Amish farming community.



As a result, three Amish farmers enrolled some of their land into the Conservation Reserve Program (CRP). Two of the farmers constructed shallow wetland areas on their farms and a third is in the planning and design stage.

Additionally, Environmental Quality Incentives Program (EQIP) Education Assistance funds were used to develop and conduct an educational program that was targeted to Amish dairy farmers. During the program, NRCS discussed agricultural waste and how pending nutrient regulations may affect their operations. As a result of this meeting, two Amish dairy operations requested technical assistance for manure management systems.

GEORGIA

- Several outreach projects have been funded in Georgia. One pilot project, funded at \$129,000, was managed by The Golden Triangle Resource Conservation and Development (RC&D) Area. It covers nine counties in southwest Georgia. The project provided financial and technical assistance to help limited resource farmers install and use a hard hose irrigation system to allow for a profitable crop yield. Field days were conducted to publicize the benefits of irrigation and improve irrigation management skills for small and minority farmers within the nine-county area. Results achieved were:

- (1) More widespread knowledge of the added value that irrigation and nutrient management can bring to the operations of small and underserved farmers,
- (2) More farmers trained in the use of portable irrigation equipment, and
- (3) Increased numbers of small farmers using portable irrigation systems.

IOWA

- NRCS organized and sponsored a statewide conference attended by 125 small and specialty crop producers and minority farmers, to discuss local niche marketing opportunities. Financial assistance was provided through

Michael Field Agricultural Institute's Organic Vegetable Grower's Workshop to provide organic production and marketing information to 15 small farmers, 9 of whom were women producers.

LOUISIANA

- The USDA agencies in Louisiana worked with local leaders, Southern University, and others to host a Community Development Workshop for parishes (counties) in northeast Louisiana as part of a special outreach initiative to inform and educate traditionally underserved agricultural producers. Approximately 30 landowners and interested parties participated in the daylong community development workshop, learning about such topics as grant writing, home loans, USDA programs, and community services. Southern University personnel completed a NRCS assessment to evaluate the effectiveness of the Agency's outreach to minority farmers in Louisiana. The assessment was favorable toward NRCS's outreach effectiveness. The study revealed that 60 percent of the minority farmers interviewed were familiar with services offered by the NRCS, 41 percent had applied for assistance, and 30 percent had been approved to receive the assistance for which they applied. Eighty-eight percent of the farmers who had or were receiving assistance from NRCS were satisfied with the services they received from NRCS.





SOUTH CAROLINA

- NRCS has been actively involved with the State Outreach Council initiatives regarding small farms in South Carolina. Some council members began planning an outreach workshop for small and limited resource landowners and farmers in the Pee Dee area of South Carolina. Members of the State Outreach Council and the local planning team met in June to plan the details of the outreach workshop. Workshop topics include agency overviews, wills, financial planning and heirs, timber theft, alternative cropping opportunities, financial management issues, how to generate profits, marketing agricultural and forestry products, success stories, and tobacco barn conversions.

NRCS also has worked with the South Carolina Small Farmer and Landowner's State Outreach Committee. The Committee sponsored an outreach workshop for small farmers and landowners in Saluda, South Carolina. Approximately 60 farmers, landowners, and others attended the workshop. Topics included alternative enterprises, senior citizen issues, farms and farm loan programs, forestry-timber theft, poultry issues, and crop insurance.

TEXAS

- An Outreach Advisory Committee, comprised of university scholars and local farmers and ranchers, was created to help the State Outreach Cadre and Outreach Coordinator assess the State's outreach efforts. The Outreach Advisory Committee uses the Civil Rights Action Team (CRAT) report, the report of the USDA National Commission on Small Farms, *A Time to Act*, and the Secretary's Hispanic Advisory Council (HAC) report, *Fact Findings and Proposed Action*, as the guiding documents to assess NRCS outreach.

There are two positions in the State dedicated to providing technical assistance to small farmers and ranchers and socially disadvantaged producers. A third position is currently advertised. These "Limited-Resource Specialist" positions, working with Soil and Water



Conservation Districts, RC&D Councils, Community Based Organizations, and other Federal and State agencies, significantly impact rural communities in the State. This is evidenced by the increase in applications received for USDA Programs, the increase of applications approved for USDA Programs, improved standards of living, and improvements of the natural resources base.

A special effort was undertaken to educate Indian Tribes in Texas. With the assistance of a representative from the Intertribal Agriculture Council (IAC), the American Indian Liaison visited all but one of the Indian Tribes in Texas. The Tribes became aware of the assistance and programs that NRCS provides and offers. Several identified needs are being addressed through the RC&D Program. These include wastewater treatment, recreation areas, and enterprise development, such as bison production.



UTAH

- NRCS has established a part time (one day a week equivalent) NRCS office at the Confederated Tribes of the Goshutes headquarters in Ibapah, Utah. This office continues to report success stories. In addition to range improvements and Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP), and Environmental Quality Incentives Program (EQIP) projects, several initiatives by the Bonneville RC&D program are being established to work with tribal youth and develop business enterprises for the tribe. At the Utah-Ouray Indian Reservation, the full time NRCS office has added an additional soil conservationist. Now two employees work with the tribe and train several tribal employees on NRCS conservation systems, standards, and specifications. The NRCS office also added a full time American Indian Liaison.

Risk Management Agency (RMA)

RMA's Office of Civil Rights and Outreach ensures equal access and accessibility to small and limited-resource farmers and ranchers. RMA has two Outreach Program Specialists. One is located in the Raleigh, North Carolina Regional Office (Eastern Outreach Region). The other is located in the Davis, California Regional Office (Western Outreach Region). In addition, RMA has 10 Regional Office Coordinators (collateral duty) located throughout the United States in 10 Regional Offices.

The Office of Civil Rights and Outreach collaborates with 1890, 1994, and 1862 Land-Grant Universities, Hispanic Serving Institutions, Community Based Organizations and State and Federal Agencies, to implement initiatives to better serve small and limited resource farmers and ranchers.

In FY 2001, the following projects were funded under the Agricultural Risk Protection Act (ARPA) of 2000:

- **Alabama A&M University**, \$25,000: To develop and implement risk management education program for small and limited-resource producers in North Alabama.



Accurate farm recordkeeping helps producers manage risk by pinpointing losses and gains in the farm business.

- **Federation of Southern Cooperatives**, \$279,950 for Alabama, Georgia, Mississippi, South Carolina: To improve delivery of insurance products to small and limited-resource farmers by recruiting and training agents for underserved areas and to expand risk management education to underserved, diverse communities.
- **Hmong American Community**, \$62,850: To help establish a small farm resource center in the California Central Valley to provide training for limited-resource farmers and ranchers on the effective use of risk management tools and practices.
- **University of California**, \$12,000: To provide risk management information and training for Southeast Asians in Fresno County and adjoining counties.
- **Tufts University**, \$155,875 for Massachusetts, New Hampshire, and Rhode Island: To educate immigrant farmers about risk management strategies and programs for new producers.



Outreach Activities in 10 Regional Offices during FY 2001:

- **National Conference on Survival Strategies for Small And Limited Resource Farmers:** On July 23-25, 2001, RMA sponsored this conference held in Memphis, Tennessee, to provide a forum for networking and forming alliances between public and private stakeholders to maximize their effectiveness in assisting small and limited resource farmers and ranchers to survive in the current risk environment. Conference attendance was estimated at 235 participants with 40 States (including Alaska and Hawaii) represented nationwide and others from Nigeria, New Guinea, and Peru. RMA will be planning numerous small farm meetings across the U.S. in follow-up to this Conference with the objective to hold smaller meetings throughout the States.



- **North and South Dakota Tribal Farm Bill Forum:** In Billings, Montana, the Regional Office participated in a North and South Dakota Tribal Farm Bill Forum co-sponsored by the Intertribal Ag Council in November 2000. The purpose of the forum was to bring representatives of all the Indian tribes in ND and SD to meet with USDA representatives from NRCS, APHIS, FSA, and RMA.

The participants worked to determine tribal agriculture-related needs that Congress and USDA could address in developing the 2002 Farm Bill. The tribes are very interested in the development of affordable insurance programs. Tribal members proposed that USDA establish service centers on each reservation throughout the States, which they believe should include a Federal employee with the responsibility of educating tribal members about available risk management programs.

- **Breaking Down Barriers for Hispanic Farmers:** Several efforts were made to arrange an informational session in the underserved areas of New Mexico and Oklahoma, to increase the awareness of the program advantages RMA can provide producers. A representative from the Oklahoma City Regional Office participated in a meeting on July 10, 2001, in Lubbock, Texas, that was designed to help break down barriers that Hispanic farmers face.
- **9th National Small Farm Trade Show & Conference:** November 1-3, 2001, the Topeka Regional Office participated in the largest annual small farm show in the United States by displaying the RMA's Civil Rights/Community Outreach display booth. The 2001 theme was "Profitable Small Farm Alternatives for the New Millennium," and featured moneymaking farmers communicating their methods to fellow farmers. Ideas and information on income opportunities for the small family farm were presented in 19 one-hour seminars and 5 three-hour short courses. Both traditional and alternative farm enterprises were covered for full and part-time farmers, ranchers, gardeners, and landowners.



Some States work with insurance representatives from the National Independent Insurance Agents Association to increase the number of women and minority crop insurance sales agents.

- **Federation of Southern Cooperatives:** On November 28 and 29, 2000, Federation of Southern Cooperatives and RMA met to discuss a survey of limited-resource farmers. The purpose of the 110-question survey was to assess how black farmers in Southern States are managing risk in their operations. Federation and RMA were able to identify training needs and determine future education program directions to meet the needs of limited-resource farmers. Federation representatives drafted a letter to be sent to Washington, DC, giving recommendations and outlining how Washington representatives can assist limited-resource farmers.

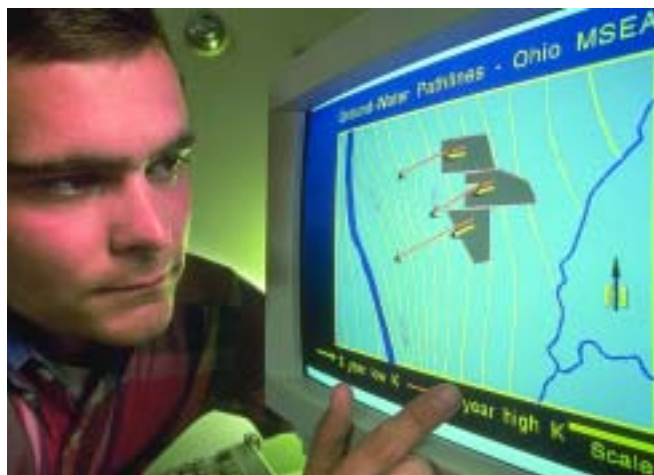
- **Hmong American Community, Inc. (HAC) in Fresno, California:** is partnering with many agencies including RMA, American Farmland Trust, University of California Cooperative Extension, NRCS, FSA, and the Valley Small Business Bureau to develop a Small Farm Resource Center for the San Joaquin Valley small farmers. The Center will become a central location where these underserved farmers can meet and receive information on various programs available to them. It will also serve as a training center for health related issues such as pesticide health and safety, marketing, recordkeeping, and other farm related legal and labor issues.

- **Hispanic Cultural Awareness Training:** On October 16 and 17, the Spokane Outreach Coordinator attended and participated in Hispanic Cultural Awareness Training in Wenatchee, Washington. The members of the Washington State Civil Rights and Outreach Committee, which was established as a result of USDA's Civil Rights Action Team Report and State Outreach Council initiatives, sponsored the training. Agencies participating were USDA's RMA, FSA, NRCS, FS, RD, and Washington State Agricultural Statistics Service.

- **Small Farmers and Landowners Outreach Workshop in Florence, South Carolina:** On October 26, the Valdosta Regional Office (RO) exhibited a booth at the "Pee Dee Small Farmers and Landowners Outreach Workshop" in Florence, South Carolina.

- **Civil Rights/Increasing the Diversity of Crop Insurance Sales Agents:** On April 3, 2001, the Spokane Outreach Coordinator began working with insurance representatives from the National Independent Insurance Agents Association (IIAA) to increase the number of women and minority crop insurance sales agents throughout the United States.

- **Outreach to Guam, Saipan, Tinian, and Rota:** On August 29, 2001, the Davis RO staff met with NRCS Western Region staff to discuss the beginning of a series of meetings focused on the development of an action plan for Outreach to Guam, Saipan, Tinian, and Rota. The outreach efforts will provide information on soil erosion,





conservation, risk management education, and crop insurance program development. There are numerous small farmers producing a variety of specialty crops consumed both locally and for export. Guam and the Commonwealth of the Northern Mariana Islands are threatened every year by typhoons. In 1997, Typhoon Paka destroyed crops and livestock throughout this U.S. Trust Territory. These meetings come at the request of Congressman William (Lee) Torres and Guam Delegate Robert Underwood.

Examples of RMA Outreach Activities in 10 Regional Offices During FY 2000:

- **Creating Partnerships:** For FY 2000, RMA's Office of Civil Rights and Outreach partnered and collaborated with community based organizations, 1890 and 1994 land-grant colleges and universities, Hispanic Serving Institutions, and Federal and State Councils. Nine projects totaling \$300,000 were funded. RMA is also working on an initiative to attract women and multi-cultural agents and agencies to sell and service risk management products. RMA is continuing to educate small and limited-resource farmers and ranchers and the agricultural community on managing risk. RMA is also reviewing our existing insurance products to ensure that they meet the needs of small and limited-resource farmers and ranchers.
- **Intertribal Agriculture Council and the Northern Cheyenne Reservation Meeting:** The Billings RO outreach coordinator met with the Intertribal Agriculture Council and the Northern Cheyenne Reservation in Lamar, Montana, in order to solicit input on the successes of past partnering efforts. They discussed future outreach proposals, such as a potential Individual Rangeland and Pasture insurance program to benefit Native American producers.

Additionally, the participants want to better serve the needs of historically underserved groups and rural communities.

- **Southwest Louisiana Agriculture Field Day:** The Jackson RO outreach coordinator took part in the Southwest Louisiana Agriculture Field Day in June 2000, sponsored by the Southern Development Foundation. Participants were small to large-scale agriculture producers, business representatives, students, and staff from agencies across the State. RMA programs in Louisiana and information on the Agriculture Risk Protection Act of 2000 were discussed.



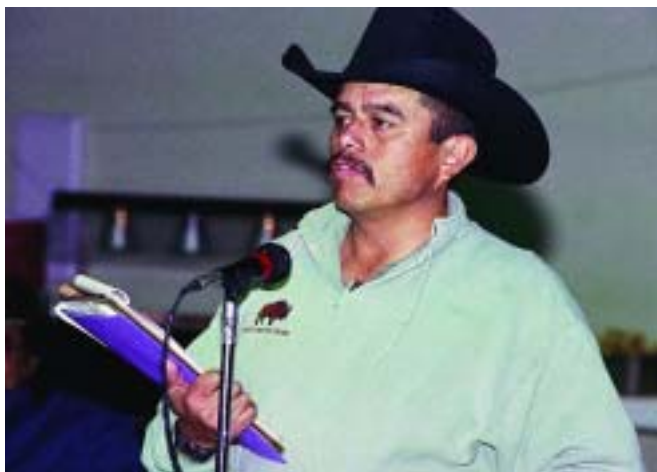
- **Choctaw Nation Meeting:** The Oklahoma RO held a meeting in April 2000 with members of the Choctaw Nation, in Oklahoma City. Participants discussed the feasibility of starting a tribal insurance agency or developing an RMA and Tribal Agreement, which would deliver and service crop insurance policies to tribal members. In addition, the RO is committed to helping select individuals within the Choctaw Nation become agents by providing one-on-one training and assisting them to obtain a limited agent license from the Oklahoma State Insurance Department to sell crop insurance to tribal members.
- **Virginia State Outreach Council:** The Raleigh RO attended the Virginia State Outreach Council Meeting at Virginia State University in March 2000. Several extension agents who work with small and limited-resource producers were invited to attend. The group discussed small farm activities and several mentioned their work in disseminating risk management education information.



- **Outreach to Western Groups:** The Davis RO gave a presentation to the leaders of several Arizona Indian tribes in January 2000 about the crop insurance and risk management tools available to Native Americans. The Indian Agriculture Council organized this event. In addition, the RO assisted Hmong growers in Fresno, California, in developing a cooperative to market their produce.
- **Michigan Limited-Resource and Minority Farms Second Annual Conference:** The Springfield RO was one of the sponsors of the Michigan Limited-Resource and Minority Farms Second Annual Conference held in March 2000 in Lawrence. A “How to Work with Lenders” workshop was held using “Assignment of Indemnity” as a risk management tool to secure operating loans.
- **Yakima County Hispanic Growers Small and Limited-Resource Farmer Grant and Outreach Project:** The Spokane RO met with the Yakima County Hispanic Growers in May 2000 regarding current activities. An educational delivery program for 500 active agricultural landowners and producers and 20,000 Hispanic farm laborers in Yakima, Washington was established, to familiarize them with USDA farm programs. Outreach efforts will also be provided to Heritage College in Toppenish, Washington.
- **Informational Exchange Meeting:** The Spokane RO is currently discussing plans for the Western Regional Intertribal Agriculture Council (IAC)/State Food and Agricultural Council (FAC). An Informational Exchange Meeting was held in Pendleton, Oregon on September 11, 2000. Partners include the Outreach Coordinators for the FSA, NRCS, and the IAC. The RO is working with the Yakima County Hispanic Growers regarding an educational delivery program for approximately 500 active agricultural owners, producers, farmers, and 20,000 Hispanic farm laborers throughout Yakima, Washington.
- **Recordkeeping Training for Hmong Farmers:** The St. Paul RO participated in a working group from the State Outreach Committee, and the Minnesota Food Association has been working on educating Hmong farmers in recordkeeping. In the future, this training will be adapted to educate other ethnic groups.
- **USDA Outreach Serves All Kansans:** The Topeka RO worked with Kansas State Outreach Council, consisting of RMA, FSA, NRCS, RD, and Kansas State University. Each agency has contributed toward the creation and production of a brochure titled “USDA Outreach Serves All Kansans.” This joint effort is intended to increase underserved, limited-resource, and minority farmers’ awareness of USDA programs and services in Kansas. RMA’s offer to meet with Native American Farmers and discuss program information and services, in addition to conducting workshops and seminars, is receiving positive comment from American Indian Tribal Councils in Kansas.
- **Federation of Southern Cooperatives Outreach Meeting:** The Federation conducted its 17th Annual Marketing and Small Farmers Conference and Trade Show in February 2000, in Albany, Georgia. The Valdosta RO stated that Team Agriculture Georgia (TAG) is using \$2,000 in RMA funds for printing new directories, “*TAG Directory of Federal and State Agricultural Agencies, State Agricultural Educational Institutions,*” and “*Non-Governmental Agriculture Organizations in Georgia.*” The TAG Directory is a reference to help landowners and others contact participating agencies and organizations for services. For more information on the Risk Management Agency, visit our web site at www.rma.usda.gov.

USDA National Office of Outreach

The USDA National Office of Outreach has taken a proactive role to ensure that USDA programs and services are accessible to all eligible constituents, including the underserved. It also provides leadership, coordination, facilitation, and expertise to internal and external partners to ensure equal and timely access to USDA programs for all eligible constituents, with an emphasis on the underserved.



The USDA Office of Outreach awarded nearly \$6 million to 28 educational institutions or community-based organizations in 20 States and Puerto Rico. The awards were given to provide outreach, training, and technical assistance to minority and rural area farmers and ranchers.

■ **Services Offered by the Outreach and Assistance to Socially Disadvantaged Farmers and Ranchers Program (2501).**

During the past five years, 2501 Program recipients were able to provide outreach and assistance to over 107,000 socially disadvantaged farmers and ranchers who participate in 28 projects that serve 394 counties. Participants receive various types of assistance from the project recipient staffs, including:

- Assistance in completing Farm Service Agency Direct and Guaranteed Loan applications (farm ownership loans, farm operating loans, youth loans, and soil and water loans).
- Assistance with financial recordkeeping throughout the year and at the end of the year (year-end analysis).
- Assistance in helping farmers obtain loans to purchase equipment and machinery (operating loan assistance).
- Information on services and farm programs offered by FSA, NRCS, Cooperative Extension Service, RD, FS, RMA, and State and local government agencies.
- Assistance in helping farmers complete commercial bank farm loan applications.
- Assistance in developing financial plans (projected income and expense) and production plans (planting

dates, varieties, weed control, etc.) for alternative crops (vegetables and small fruits).

- Bi-weekly (or as needed) farm visits to assist with farm management (crop records, calibration, selecting pest treatments, insect and disease scouting, etc.).
- Group training meetings and individual training in farm management.
- Tours to educate and inform farmers and ranchers about profitable alternatives for small farms and ranches.
- On September 17, 2001—The USDA Office of Outreach awarded nearly \$6 million to 28 educational institutions or community based-organizations in 20 States and Puerto Rico to provide outreach, training, and technical assistance to minority and rural area farmers and ranchers. In announcing the awards, Secretary Ann M. Veneman stated that USDA is committed to assisting farmers and ranchers in need. She said, “through these grants that we are announcing, we are striving to ensure access to USDA programs and services for our underserved constituents.”
- The amount of the awards is based on the population of need in the area served. Among the organizations receiving the awards are historically African-American land-grant colleges and universities, Native American community colleges, Hispanic-serving institutions, Asian emphasis institutions, and community-based organizations.

Institutions receiving grants include the following:

1. Agricultural Land-Based Training Association
2. Alabama Agricultural and Mechanical University
3. Alcorn State University
4. Arkansas Land and Farm Development Corporation
5. Delaware State University
6. Growing Power, Inc.
7. Federation of Southern Cooperatives/Land Assistance Fund
8. Florida Agricultural and Mechanical University
9. Fort Berthold Community College
10. Fort Peck Community College
11. Intertribal Agriculture Council
12. Housing and Economic Rural Opportunity, Inc.



13. Hmong American Community
14. Kentucky State University
15. Langston University
16. North Carolina Agricultural and Technical State University
17. Oneida Tribe of Indians of Wisconsin
18. Prairie View A&M University
19. Rural Community Development Resources
20. Southern University and A&M College
21. Tennessee State University
22. The Regents of New Mexico State University
23. The University of Texas-Pan American
24. Trustees of Tufts College
25. Tuskegee University
26. University of Arkansas at Pine Bluff
27. University of Puerto Rico
28. Virginia State University

■ **Helping Small Farmers Increase Income with Alternative Crops:**

- Most 2501 project participants are typically small scale, traditional crop producers.
- During the last several years, rising production costs and relatively stable commodity prices have reduced the income generating potential of these farms.



About 80 percent of 2501 project participants use the Cooperative Extension Service, and 75 percent are familiar with NRCS services.

- Due to economies of scale, small farms often have a higher per unit cost and are less profitable than larger farm operations.
- Consequently, smaller farms tend to be lost at a faster rate than larger farms during adverse years.
- To help small farmers increase farm income and as a hedge against lost income from other crops, the 2501 project recipients assist small farmers in adding alternative crops to their traditional crop operations.
- The incorporation of alternative crops occurs without a large investment in machinery or equipment, and without the addition of new land.
- Farmers learn about the cultural practices needed to produce alternative crops.

■ **Marketing Assistance/Alternative Crops:**

- When a farmer diversifies by adding an alternative crop to his/her operation, the project recipients' staff provides assistance to the farmer in locating markets for the crop.
- Before an alternative crop is planted, a primary and secondary market is located.

■ **Working with Other USDA Agencies:**

- Most socially disadvantaged farmers are not familiar with the services offered by local USDA agencies.
- These farmers often fail to take advantage of the many services and beneficial programs that could help their farm operations. The 2501 recipient project staff works to inform participants of services offered by the different agencies. As a result, the number of participants now actively using the local agencies has steadily increased since the program's inception.
- Approximately 80 percent of 2501 project participants now use the Cooperative Extension Service; about 75 percent of participants are now familiar with services offered by the Natural Resources Conservation Service as compared to pre-project awareness that ranged from 5 to 10 percent.



II. Market Development



Small farmers must become more innovative marketers to attract customers to buy farm-raised produce and other products.

Commission Recommendations: In addition to enforcing fair market practices, the Commission recommended several ways that the USDA could apply its market development programs and resources to bolster the marketing opportunities that are unique to small farms.

Recommendations included: an emphasis on cooperative development programs for farmer-owned, value-added enterprises; expansion of direct marketing assistance; interagency efforts to support local and regional food marketing systems between farmers and urban consumers; and an entrepreneurial education initiative to teach business development and marketing skills for farm- and forestry-based, value-added businesses.

AGENCY HIGHLIGHTS

Agricultural Marketing Service (AMS)

■ **Mandatory Price Reporting:** AMS implemented the Mandatory Price Reporting program in April 2001 to obtain information on terms of contracts offered for cattle, hogs, boxed beef, and lamb. The mandatory program requires the reporting of market information by packers who annually slaughter an average of 125,000 cattle or 100,000 swine, or slaughter or process an average of 75,000 lambs. Importers who annually import an average of 5,000 metric tons of lamb meat products are also required to report.

Mandatory reporting provides information on 80 to 95 percent of the volume of all cattle, boxed beef, slaughter hogs, sheep, lamb meat and imported lamb meat traded. This will provide much needed information to help ascertain whether contracting transactions are significantly different from cash market transactions with respect to price, and may help shed light on the nature of and reasons for those differences.



■ **Hog Prices, Formulas, and Mandatory Reporting:**

Mandatory reporting of terms of contracts will be particularly helpful in the hog industry. Unlike other meats, AMS does not grade pork. The industry developed its own standards, and uses various instruments to estimate the amount of cut-able meat from the carcass by measuring external fat thickness and loin depth. However, unless the instruments are placed correctly in a precise location of the carcass, artificially high fat readings result, and the outcome is lower prices to producers. Moreover, many producers are increasingly dissatisfied with the formula, alleging that the formula is either applied or adjusted to influence prices paid to producers by packers. Packers are required to supply the regression equations they use to derive their formulas to the Grain Inspection, Packers and Stockyards Administration (GIPSA) and AMS.



However, the formulas vary by statistically significant differences across packers, and they are not easily understood by outside parties. Together with obtaining information on contract terms for slaughter hogs, we should be able to provide much more accurate information to producers about the value characteristics of their hogs. This information has resulted in the development of a value-based marketing grid, which gives producers more accurate signals about the prices they can expect for varying quality of their hogs.

■ **Dairy Forward Contracting Pilot Project:** The dairy forward contracting pilot project mandated by Congress became operational on August 1, 2000. Two provisions are in place that are intended to provide producers with some protections and afford them time to become familiar with contracting. One provision requires that producers sign a disclosure statement, verifying that they were given a “Guidelines for Contracting” tip sheet developed by AMS, and that they signed the contract willingly and voluntarily. This disclosure statement must be a provision of any contract offered to a dairy producer. And, both the disclosure sheet and a copy of the contract must be on file with the Milk Market Administrator’s office.

The second provision is a limitation on first-time contracts to no more than twelve months, to give producers time to become familiar with contracting. Through August 2001, more than 3,045 forward contracts have been submitted under the pilot program. A study and report to Congress on the impact that forward contracting has had on prices paid to producers is due in 2002. Procedures for quantitative data collection through Market Administrators’ offices have been developed. Questionnaires to gather qualitative data from dairy farmers, plants operatives (handlers) and cooperatives were to be mailed in early 2002.

Farmer Direct Marketing

■ **AMS’s Farmer Direct Marketing Web Site:** This web site serves as an information source for farmer direct marketing activities by providing information on a variety of topics; links to appropriate Federal, State, university; and other web sites relating to direct marketing. The web site provides information on current projects, publications, and other AMS program activities in direct marketing. During 2000, additional links with Federal agencies were developed, along with extra materials for direct marketers.

■ **Direct Marketing Today: Challenges and Opportunities:** In February 2000, AMS published a direct marketing report presenting the findings from five AMS farmer direct marketing focus groups conducted in



In March 2001, USDA's Agriculture Marketing Service (AMS) published the *Farmer Direct Marketing Bibliography 2001*, which catalogs interrelated agricultural marketing research completed since 1980.

the Northeast, Midwest, and Southeast to identify farmer direct marketing challenges and opportunities. The findings are being used to direct program resources to issues of concern to direct marketers. A Spanish language translation is currently in review.

- **Farmer Direct Marketing Bibliography 2001:** In March 2001, AMS published the *Farmer Direct Marketing Bibliography 2001*, which catalogs interrelated agricultural marketing research completed since 1980. Twenty-seven functional categories are used to divide references from various resources including private industry, academia, and State and Federal Governments. This publication facilitates access to resources for small farmers.
- **National Directory of Farmers Market and Direct Marketing Associations 2001:** In April 2001, AMS published the *National Directory of Farmers Market and Direct Marketing Associations 2001*. These associations are a valuable resource for farm direct marketers as they offer many benefits and services. The objective of this publication is to improve access to information and resources that direct marketing associations offer marketers, consumers, and agricultural producers.
- **California Institute for Rural Studies:** AMS is working with the California Institute for Rural Studies to determine the contribution of direct marketing to farm entry and farm viability in California. The research focuses on small-scale agricultural producers and investigates marketing requirements of the growing population of minority and immigrant producers in the State.

Farmers Market Development

- **USDA Headquarters Farmers Market:** For the 6th consecutive year, AMS sponsored a farmers market at its USDA headquarters in Washington, D.C. to showcase the benefits of farmers markets. Current information on location and operation of farmers markets nationally may be obtained via the farmers market web site at www.ams.usda.gov/farmersmarkets/. Also, a toll-free hotline number (1-800-384-8704), provides immediate access for information relating to farmers market activities and programs at USDA.
- **Montgomery, Alabama State Farmers Market:** AMS initiated a study to determine the feasibility of expanding and updating facilities at the Montgomery State Farmers Market in Alabama. The study is being conducted through a cooperative partnership with Tuskegee University and the Alabama State Department of Agriculture. The study will evaluate alternative uses for underutilized trucker and retail sheds that currently occupy the site.
- **Lexington, Kentucky Farmers Market:** AMS is working with the Friends of the Lexington Farmers Market on a research study to determine the feasibility of establishing a year-round market. The study includes a consumer demand analysis, assessment of product availability, creation of a business plan, and recommendations for optimal site and design.
- **Santa Fe Area Farmers Markets:** AMS is working with producers, city planners, and the Santa Fe Area Farmers Market, Inc., in New Mexico, to evaluate grower requirements for direct marketing of locally grown products at a new location and to develop conceptual designs for new market facilities.



- **Burlington, Vermont Public Farmers Market:** AMS is working with the Vermont Department of Agriculture, City of Burlington, and Burlington Community Land Trust on a research and technical assistance project to develop an indoor year-round farmers market in Burlington, Vermont. Vendors operating in this proposed facility would be composed primarily of small farmers, grower cooperatives, and other producers of food and craft products.
 - **Esperanza Community Housing Corporation:** AMS completed a project with Esperanza Community Housing Corporation to determine facility and space requirements for direct marketing of ethnic products in an urban public/farmers market in Los Angeles, California.
 - **Anacostia Market (Washington, DC):** AMS provided technical assistance to improve a farmers market in a low-income area of Washington, DC. This case study looks at ways to create new markets for small local farmers and to provide fresh and affordable produce to residents of a low-income community through a farmers market. It also operates as an additional test site for the implementation of Electronic Benefits Transfer (EBT).
 - **Sycamore Street Farmers Market:** An interim report was completed on the development of a farmers market pavilion at the Sycamore Street Market complex in downtown Waterloo, Iowa. A new market will substantially enhance producer sales resulting from greater access by local consumers to a variety of fresh and processed foods produced in Iowa.
 - **Farmers Market Managers Curriculum:** AMS is working with the Small Farm Center at the University of California at Davis, to develop a *Farmers Market Managers Curriculum*. The curriculum will enhance the performance of farmers markets by improving the knowledge and skills of managers and improving the performance of the policy boards responsible for oversight.
- ### Agricultural Diversity
- **Alaska Seafood Market:** AMS is conducting a study with the World Trade Center Alaska to assess the feasibility of developing an Anchorage seafood cooperative market. The objectives are to study the movement of seafood with the emphasis on fresh and live harvested products in South Central Alaska. The project investigates the opportunities and potential economic benefits of a wholesale seafood market facility to serve small and medium members of the regional seafood industry.
 - **Export Opportunities for Small Farmers:** AMS is developing a project titled United Exports to assist minority, small, and disadvantaged farmers interested in marketing their agricultural and value-added products internationally. AMS has entered into a cooperative agreement with the African American Family Farms, Inc. to identify potential groups of small farmers, initially in Georgia, and connect them with shipper/exporters. The project will result in a database of small farmers and potential export sales.
 - **Florida Small Farmers Market Fresh Produce to Local Schools:** AMS, in a collaborative effort with NRCS, the West Florida Resource Conservation and Development Council, and Florida A&M University, published a report, *Innovative Marketing Opportunities for Small Farmers: Local Schools as Customers*, in March 2000. The report details the successes and learning experiences of the New North Florida Cooperative over the 2-year project in marketing fresh and value-added products to local schools. AMS and its collaborators have followed up on this project with further applied marketing research targeted at expanding sales to additional school districts, the Department of Defense, restaurants, and grocery stores.
 - **Alternative Marketing Opportunities for Virginia Small Farmers:** AMS, Virginia Polytechnic Institute and State University, and the Halifax County Cooperative Extension are currently working on a research project to create sustainable on-farm job and income opportunities for small farmers in Virginia and surrounding areas.



Using input from the local community and a mathematical decision process, profitable alternative agricultural enterprises were selected. These alternatives, including marketing of fresh strawberries, agri-tourism, and the production of bedding plants, were then tested in Halifax County. The decision process used by these farmers is applicable to other areas of the country experiencing a decline in farm income due to changes in farm subsidy programs or reductions in local natural resources industries.

- **Tobacco Alternatives Project:** AMS is working with the Commodity Growers Corporation to assist regional burley tobacco growers in transitioning to alternative high-value fruit and vegetable crops. This project funds small innovative marketing pilots for burley tobacco growers to increase diversification of crops and stimulate the regional farm economy.
- **Native American Small Farmer Marketing Project:** AMS began working with the Navajo Nation Department of Agriculture in early 2001 to develop marketing opportunities and potential farm-based businesses for Navajo small farmers near Shiprock, New Mexico. The objectives are to develop sustainable markets, create distribution channels, and establish a dependable customer base for traditional foods. Market research has been conducted to learn about consumer and food vendor purchase habits, wants, and needs. Connecting Navajo small farmers with these local consumers and food vendors will provide direct economic benefits to farmers and the community.
- **Market Opportunities for Texas Small Meat Producers and Processors:** AMS is participating in a cooperative research project with Texas A&M University to investigate market opportunities for small meat producers and processors in the restaurant and institutional food service sector. A guide to restaurant and institutional food service requirements and preferences for specialty meat products is planned for later publication. This guide is designed to be a practical marketing tool for any small operator (small rancher/livestock producer, slaughterhouse, or food processor) seeking to pursue or expand niche-marketing opportunities in the value-added meat product sector.
- **Weed-Free Hay Marketing Project:** AMS, the Wallowa County Government in Northeast Oregon, and Eastern Oregon University initiated a marketing study in May 2001 to develop value-added marketing opportunities for Western hay and straw farmers. The study will investigate local and regional marketing opportunities for weed-free hay and straw, develop deliverable quality standards, and identify transportation solutions. A group of local farmers has formed a steering committee to agree on production standards and investigate the possibility of organizing a cooperative. These Oregon small farmers plan to initiate value-added sales in 2002. The Oregon Department of Agriculture, APHIS, and FS are also participating in the project.
- **Technical Assistance to Nut Growers:** AMS is currently working with members of the Pennsylvania and Northern Nut Growers Association to help identify specific marketing problems and assist in developing appropriate solutions to these problems. Marketing research will generate reports, articles, point of purchase materials, and web-based information products to disseminate results to the small farm community, potential customers, and the nut-consuming public.
- **Kentucky Direct Delivery Systems:** AMS coordinated a *Kentucky Farm to School Workshop*, held in Georgetown, Kentucky, in May 2000. A publication entitled, *How Local Farmers and School Food Service Buyers are Building Alliances* documents the information and discussions of the workshop. AMS and the Kentucky Department of Agriculture are working together on a collaborative effort to assist a cooperative of small farmers in direct deliveries of value-added products to institutional food service facilities, including local restaurants and State parks. The project will study the economic and logistic feasibility of direct deliveries to local institutions.
- **Small Organic Producers Showcase Products:** AMS, in coordination with the Organic Trade Association, the National Association of State Departments of Agriculture,



and the Foreign Agricultural Service, organized a booth at the Food Marketing Institute (FMI), U.S. Food Export Showcase, in May 2000. Organized around the theme, “*U.S. Organic Marketplace*,” the booth enabled 11 small organic producers to display their products for buyers and international visitors attending the FMI annual convention. The objective was to give small organic producers the opportunity to display their products in customer-rich surroundings that might otherwise not be cost-effective for a small company.

Federal-State Marketing Improvement Program (FSMIP)

Through this Program, AMS provides matching funds to State departments of agriculture or other appropriate State agencies for a wide range of research and service projects aimed at improving the marketing, distribution, and use of agricultural products primarily for small farmers. In announcing the availability of funds for FY 2000 and 2001, AMS encouraged applicants to submit proposals that correspond with ongoing national initiatives relating to small farms, direct marketing, and sustainable agriculture.

Funds totaling \$1.2 million were allocated during FY 2000. In FY 2001, the appropriation for FSMIP grants was raised to \$1.347 million. Over the 2000 and 2001 fiscal years, FSMIP awarded matching funds to the following projects:

- A \$42,000 grant to the Arizona Department of Agriculture, in cooperation with Arizona State University, for an evaluation of the tourism industry as an alternative marketing channel for Arizona agricultural products.
- A \$78,000 grant to Purdue University to assist in developing a unique production and marketing system that will enhance the profitability and sustainability of small to midsize beef producers and processors in the Eastern Corn Belt region.
- A \$55,000 grant to the Iowa Department of Agriculture and Land Stewardship for a multifaceted project aimed at expanding local food systems through direct marketing to Iowa institutions.
- A \$55,000 grant to Kansas State University, in cooperation with the Kansas Department of Commerce and Housing, to identify additional market opportunities for new varieties of hard white wheat and assess alternative business organization structures that could be used by Kansas producers in supplying those markets.
- A \$55,000 grant to the Massachusetts Department of Food and Agriculture, in concert with counterpart departments in Connecticut, Vermont, and New York, for marketing research and organizational assistance to develop an innovative approach to marketing for small-farm livestock producers in the Northeast.
- A \$40,000 grant to the Michigan Department of Agriculture for a cooperative project with Michigan State University and the Midwest Nut Producers Council to examine consumer interest and develop product quality criteria for marketing Midwest-grown edible chestnuts.
- A \$27,500 grant to the Missouri Department of Agriculture, in cooperation with University of Missouri Outreach and Extension, aimed at increasing direct market access, communication, and nutrition by connecting producers to consumers and producers to producers.
- A \$48,000 grant to the Montana Department of Agriculture, with Montana State University and others, to assess market opportunities and strategic directions for specialty herbs and essential oils crops in western Montana.
- A \$20,000 grant to the North Carolina Department of Agriculture to assist in developing an information base to evaluate the current competitive position of the Fraser Fir Christmas tree industry and in formulating a marketing plan for growers in western North Carolina and surrounding areas.
- A \$35,000 grant to the North Dakota Department of Agriculture to explore the feasibility of creating a central order fulfillment capability as part of the further development of the Internet Shopping Mall for North Dakota products.



- A \$31,000 grant to the Pennsylvania Department of Agriculture, in cooperation with the Pennsylvania Association for Sustainable Agriculture, to develop and implement a comprehensive business plan for a community farmers market on the south side of Pittsburgh.
- A \$24,000 grant to the South Dakota Department of Agriculture, in cooperation with the Mid-U.S. Honey Producers Marketing Association, to determine the market potential for locally produced honey mead.
- A \$31,000 grant to the Vermont Department of Agriculture, Food and Markets, in cooperation with counterpart agencies in other northeastern States, to further develop an infrastructure for collecting and marketing high quality sheep and goat genetic material.
- A \$60,000 grant to the Washington State Department of Agriculture, in partnership with the Pacific Coast Shellfish Growers Association, for market research and development of an interactive data base that will allow oyster farmers to more easily form cooperative networks and develop strategies for business success.
- A \$50,000 grant to the Alabama Department of Agriculture and Industries, in cooperation with the Departments of Horticulture and Agricultural Economics at Auburn University, was provided to assist in the development of the Gulf Coast Satsuma mandarin industry. This will be accomplished by identifying new markets, assessing consumer acceptance, and developing quality standards. Additional objectives include assessing handling, packaging, and labeling alternatives.
- A \$62,000 grant was provided to the Alaska Department of Natural Resources' Division of Agriculture to identify barriers and develop marketing strategies to more effectively promote "Alaska Grown" vegetables and potatoes through retail channels.
- A \$51,000 grant was provided to the Regents of the University of California to enhance the economic viability of small farms and rural communities and foster the preservation of farmland and agriculture in the Yolo-Solano-Napa region through a farm trails and agri-tourism project.
- A \$35,900 grant was provided to the California Department of Food and Agriculture, in cooperation with the Lodi-Woodbridge Winegrape Commission, to help winegrape growers learn how to establish wineries and vertically integrate their operations to add value and attract consumer interest.
- A \$54,700 grant was provided to the Florida Department of Agriculture and Consumer Services, in cooperation with the Department of Food and Resource Economics at the University of Florida, to assess and characterize demand for seafood and aquaculture among Hispanic consumers, to identify effective marketing strategies to reach this growing segment of the U.S. population, and to disseminate the information to the U.S. seafood and aquaculture product sector.
- A \$25,900 grant was provided to the Florida Department of Agriculture and Consumer Services, in cooperation with the Daytona Beach Partnership, to enhance opportunities for local growers to supply hospitals, hotels, restaurants, schools, and other local institutions.
- A \$20,000 grant was provided to the Idaho Department of Agriculture to assess the market for and educate small-scale producers about opportunities to produce pastured poultry and poultry products as a way to diversify their income.
- A \$35,000 grant was provided to the Iowa Department of Agriculture and Land Stewardship, in cooperation with Cooperative Development Services, to assist producers of organic and natural foods to better understand the distribution channels and markets for their products; conduct market research and provide business development assistance for organic meat, dairy, grain, and feed producers and processors; and develop a strategic program to increase opportunities for direct marketing of livestock products in Iowa and the Upper Midwest.



- A \$45,700 grant was provided to the Maryland Department of Agriculture, in cooperation with the Eastern States Bison Cooperative (with members from 11 States), to develop a strategy for commercializing and promoting bison meat, and in cooperation with the Howard County Economic Development Authority, to conduct a feasibility study for an online virtual farmers market to attract consumer subscriptions for local produce.
- A \$17,500 grant was provided to the Massachusetts Department of Food and Agriculture, on behalf of the Pilgrim Resource Conservation and Development Area Council, Inc., to evaluate demand and define the market for value-added lavender and specialty herb products. This project will provide an option for family farms in southeastern Massachusetts to diversify their operations and, in cooperation with the University of Massachusetts at Lowell, to identify opportunities for local farmers to supply specialty produce to ethnic restaurants in a city with a growing immigrant population.
- A \$47,050 grant was provided to the Michigan Department of Agriculture, in cooperation with Western Michigan University, the Michigan State Horticultural Society, the Michigan Apple Committee, the Michigan Cherry Committee, and the Michigan Vegetable Council, Inc., to compile a comprehensive, consumer-oriented database of Michigan agriculture-based destinations and assess the impact of agri-tourism on the State economy.
- A \$14,500 grant was provided to the Minnesota Department of Agriculture, in cooperation with the Minnesota Christmas Tree Association, to identify consumer preferences for Christmas trees, evaluate consumer reaction to several new Christmas tree varieties, and assess acreage of different Christmas tree varieties currently in production to better plan for meeting future consumer demand.
- A \$65,650 grant was provided to the Mississippi Department of Agriculture, in cooperation with the Hinds Community College Small Business Development Center and International Trade Center, to meet the business and



A farmer examines his muscadine grape crop which he markets at fresh markets.

financial training needs of Mississippi agribusinesses through the development of distance learning opportunities, workshops, and conferences.

- A \$72,600 grant was provided to the Missouri Department of Agriculture, in cooperation with:
 - The Southwest Missouri State University, to facilitate development of an alternative market for fruit as an ingredient for making fruit brandy, spirits, and port;
 - The University of Missouri-Columbia Food Circles Networking Project, to implement a communication network between small-scale producers, processors, and restaurants in the Kansas City area to encourage use of locally grown products; and
 - The University of Missouri-Columbia, the Missouri Corn Growers Association, the Missouri Seed Improvement Association, and the Missouri Soybean Association, to assess the State's organic feedgrain and soybean production and distribution capacities and explore export opportunities in the United Kingdom.
- A \$61,500 grant was provided to the New Mexico Department of Agriculture to complete case study analyses and business plan reviews of small farms and ranches and make recommendations about how to effectively increase direct sales and to conduct a



farm-to-school pilot project involving three public schools and a newly formed cooperative of small-scale Hispanic farmers.

- A \$51,000 grant was provided to the North Carolina Department of Agriculture and Consumer Services, in cooperation with North Carolina State University, the North Carolina Grape Council, and the North Carolina Muscadine Grape Growers Association, to explore market development opportunities for muscadine grapes, a variety native to the Southeastern United States.
- A \$48,500 grant was provided to the Oregon Raspberry and Blackberry Commission to conduct research on cranberry seeds and seed oil to determine their nutraceutical properties and assess marketing opportunities for new products.
- A \$60,750 grant was provided to the Pennsylvania Department of Agriculture, in cooperation with the Center City Proprietors Foundation, to assist successful small-scale food processors to develop marketing strategies for moving their products into local retail channels.
- A \$89,900 grant was provided to the South Carolina Department of Agriculture, in cooperation with the South Carolina Governor's Office, Clemson University, and others, to assess opportunities for farmers to convert from tobacco production to high-value medicinal crops.
- A \$50,000 grant was provided to the South Dakota Department of Agriculture, in cooperation with the Americas Quality Crop Network, to assist wheat producers to efficiently market their identity-preserved grain via the Internet.
- A \$76,500 grant was provided to the Tennessee Department of Agriculture, in cooperation with the University of Tennessee, to develop a comprehensive guide and self-evaluation tool, based on the experience of more than 50 successful and diverse Tennessee agricultural entrepreneurs, to help start-up valued-added agribusinesses assess and improve their marketing plans.
- A \$50,000 grant to the Utah Department of Agriculture, in cooperation with the Southern Utah Forest Products Association, to create a Resource Center at the entrance of Capital Reef National Park to showcase and sell high-value crafted wood products made by local and national artisans and craftspeople; provide technical and business assistance to small-scale wood products businesses; and develop a nationally recognized sustainable forest resource center.
- A \$28,000 grant was provided to the Utah Department of Natural Resources and other entities in Idaho and Oregon to study the emerging market for native plants and seeds in the five-State Great Basin region (portions of Utah, Nevada, Idaho, Oregon, and California).
- A \$44,000 grant was provided to the Virginia Department of Agriculture and Consumer Services and others to enhance the effectiveness of the State's international promotional efforts through video conferences targeted to potential buyers in six global markets to more directly link buyers and sellers of Virginia produce.
- A \$50,000 grant was provided to the Washington State Department of Agriculture, in cooperation with the potato commissions of Washington, Oregon, and Idaho, to provide Japanese processors with technical information about the characteristics and uses of U.S. chipping potatoes and to explore opportunities to supply potatoes to Japan.



Harvesting potatoes.



- A \$38,500 grant was provided to the West Virginia Department of Agriculture, in cooperation with West Virginia University and the West Virginia Sheep Management Project, to develop a comprehensive database for lamb production in West Virginia. Developing a marketing plan will enhance the profitability of small independent lamb producers.
- A \$75,850 grant was provided to the Wisconsin Department of Agriculture, Trade and Consumer Protection, in cooperation with the University of Wisconsin-Madison, to help establish a viable system of farm-based specialty dairy processing and direct marketing in the North Central region. In cooperation with the University of Wisconsin, Department of Dairy Science, the grant will be used to sponsor a workshop and conference to discuss current dairy cattle (replacement female) guidelines and develop formal recommendations for USDA official grades.
- A \$25,000 grant was provided to the Wyoming Department of Agriculture, in cooperation with Mountain States Lamb Cooperative and Colorado State University, to verify the accuracy of a grid pricing system model for lamb that will enable processors to identify and sort carcasses based on accurate, objective measurements and potentially increase returns to producers.
- A \$59,600 grant was provided to the University of Arkansas at Pine Bluff to conduct research and provide technical assistance to limited-resource farmers in the Eastern Arkansas Delta area in order to help these farmers market alternative and value-added farm products in nearby urban centers.
- A \$40,000 grant was provided to the Colorado Department of Agriculture, in cooperation with Colorado State University, to identify an appropriate organizational model for facilitating the distribution of fresh produce between local farmers' markets and restaurants.
- A \$64,000 grant was provided to the Hawaii Department of Agriculture to develop a comprehensive market information system about Hawaiian grown agricultural commodities, in order to help small farmers, processors, and handlers of tropical and specialty farm products make better informed business decisions.
- A \$65,000 grant was provided to the Idaho State Department of Agriculture, in cooperation with the University of Idaho, to study the economic viability of establishing a commercial rebaling system for timothy and other grass hays that would produce 60-80 lb. packages of hay and potentially expand the customer base for baled hay products.
- A \$58,000 grant was provided to the Illinois Department of Agriculture, in cooperation with Southern Illinois University, to identify the specific product preferences of organic grain processors and end-users, and help small farmers pool their organic grain supplies so that they can better meet the volume requirements and quality characteristics demanded by specialty grain customers.
- A \$65,300 grant was provided to the Louisiana Department of Agriculture and Forestry, in cooperation with Louisiana State University and Southern University, to study the accuracy of an electronic trace back system for livestock. Information obtained from the trace back system may allow small producers to make adjustments in their breeding programs. The main objective is to help small farmers obtain greater profits from their cattle sales.
- A \$25,000 grant was provided to the Missouri Department of Agriculture, in cooperation with Southwest Missouri State University, to develop and assess demand for locally manufactured fruit brandy and port products, and examine the extent to which sales of fruit brandy and port could be expected to enhance the potential income of small Missouri-based fruit producers.
- A \$60,000 grant was provided to the Ohio Department of Agriculture, in cooperation with Bowling Green State University and Ohio State University, to identify desired product specifications for beef products, and develop a



grid pricing system that would reward the small cow-calf producers for supplying the market with animals that meet strict genetic and management history standards, and yield carcasses with consistent quality characteristics.

- A \$80,000 grant was provided to the Oklahoma Department of Agriculture, in cooperation with Oklahoma State University and the Kerr Center for Sustainable Agriculture, to examine marketing practices at current and former farmers' markets in Oklahoma, and evaluate the economic and non-economic factors that appear to impede or contribute to the financial success of farmers' market operations.
- A \$17,800 grant was provided to Washington State University to identify which factors appear to contribute most significantly to the success or failure of Internet-based marketing ventures launched by small farm operations.
- A \$30,800 grant was provided to the Wisconsin Department of Agriculture, Trade and Consumer Protection, in cooperation with the University of Wisconsin, to strengthen marketing linkages between small producers of hormone-free, antibiotic-free, or pasture-fed meat items and wholesale/retail customers willing to pay a premium for these specialty meat products.

Cooperative State Research, Education, and Extension Service (CSREES)

- **“Farming for Profit, Stewardship and Community” Information/Education:** In response to the National Commission on Small Farms recommendation that USDA launch a communications campaign to inform farmers about 10 years of Sustainable Agriculture Research and Education (SARE) research results, CSREES's SARE program prepared two-page “tip sheets” on ten topics of interest to small farmers (e.g., soil improvement, marketing, pest management, farm planning). Educators and farmers provided widespread input. Ten thousand sets of the tip sheets have been distributed to USDA field



USDA field office outreach professionals provide tips to small farmers.

offices (Service Centers (FSA/NRCS/RD), Cooperative Extension Service, and Risk Management Agency), nonprofit organizations, farmers, and ranchers, and at major small farm conferences and trade shows in 2001. They are also posted on the World Wide Web at www.sare.org/tipsheet/index.htm. A series of advertisements about the tip sheets and how to get them were also placed on the web and in *Small Farm Today* magazine and other publications that target the small farm community.

- **New CSREES/ECS Initiative Supports Field Outreach Professionals To Guide Producers in Marketing Farm-Produced Products and Recreational Experiences:** CSREES Economic and Community Systems staff conducted a professional development workshop in Colorado during 2001. Another workshop was scheduled for Florida in 2002. This workshop will provide USDA field outreach professionals with the understanding and skills needed to help producers launch new ventures and engage in more direct marketing of farm-produced products and recreational experiences.

Maine, Florida, and Michigan are expanding entrepreneurial training for agricultural producers and other rural businesses. Internet-based training is also being developed. A workshop on USDA grants/cost-share



programs was presented at the North American Farmers Direct Marketing Association Conference in January 2001. A USDA resources guide, *Building Better Rural Places: Federal Programs for Sustainable Agriculture, Forestry, Entrepreneurship, Conservation and Community Development*, was released in 2001.

SARE-supported activities in New York State have sponsored leadership training in agri-development. A forestry-oriented entrepreneurial training event was hosted in Texas. Wyoming is currently developing a ranch diversification project with the State Rural Development Council and land-grant universities to be launched in September 2002. Forest Service and CSREES have provided funding for new training pilot programs to help small farmers and ranchers with entrepreneurial skills relating to natural resource based businesses.

- **CSREES SARE Grant Stimulates New Organic Chile Pepper Niche Market in Missouri:** Several central Missouri family farmers now benefit from organically growing chile peppers on a large-scale commercial basis for a previously untapped gourmet chile product market. Taste of the Kingdom, a wholesale, value-added product company, began to explore the feasibility of growing chile peppers, not traditionally grown in Missouri, for a gourmet chile pepper product line.

As product demand grew, the owner was forced to buy chilies from Californian and Mexican growers due to the lack of chilies available from Missouri farmers. The company worked with a group of Missouri family farmers who experimented with growing chile peppers for the company's products. CSREES supported this effort with a Sustainable Agriculture Research and Education (SARE) demonstration grant, which was awarded in 2000.

- **Limited-Resource Small Farmers in Tennessee Helped with Vegetable Marketing:** Tennessee State University (TSU) Cooperative Extension specialists assisted limited-resource small farmers in western Tennessee during 2000-2001 to organize and incorporate a production and marketing cooperative, Southern Growers, Inc., to better market their vegetables.

This effort responded to a problem experienced by these farmers in meeting vegetable market requirements for variety, quality, quantity, and timing of their vegetable crops. Sweet potato varieties were identified as a lucrative crop for value-added pie and cake products. A TSU Extension specialist will continue to help the Cooperative's growth by providing technical assistance and new market research, which will investigate the market potential for other locally grown crops.



Limited-resource small farmers in western Tennessee organized and incorporated a production and marketing cooperative, the Southern Growers, Inc., to better market their vegetables.



Farm Service Agency (FSA)

- County Executive Director Jeff Groat and employees of the Elmore County FSA Office established the first farmers market in Mountain Home, Idaho. Employees organized community informational meetings seeking participation from all members of the local communities in developing the market. The farmers market, held the first Saturday of every month, is run by Service Center volunteers.

The market started with three local producers, has now grown to eight, and is still growing. There is one nonprofit or youth group invited to attend each market for a fundraiser. The first youth group to attend was the United Indian Tribal Youth of the Shoshone-Paiute Indian Tribe from the Duck Valley Reservation. Another nonprofit group attending has been the Elmore County Humane Society. They were more successful adopting out pets at the market than at any other activity they participated in. University of Idaho Extension Service Master Canners and Food Preservers always have representatives at the market promoting, choosing, preparing, and storing food.

- FSA is a partner of the “Idaho Agriculture Alternatives,” a network formed of Federal, State, Education, Idaho Legislature, and Business and Industry groups. The participating agencies, all within the State of Idaho, draw upon their combined resources and information to provide services to farm and ranch families who see the need to strengthen their existing operations or to look at other business and career opportunities.

Food and Nutrition Service (FNS)

In response to recommendations 3.26 and 7.11 of the Commission’s report, FNS is continuing to pursue several initiatives to assist the Nation’s small farmers and to promote program purchases from them. They include promoting a “farm-to-school” project; expanding the Women, Infants and Children (WIC) Farmers’ Market Nutrition Program (FMNP); and increasing participation of farmers markets in the Food Stamp Program by enabling them to accept electronic food stamp payments.



Under USDA’s “farm-to-school” initiative, small farmers are able to market their fresh fruits and vegetables directly to schools participating in the National School Lunch Program.

- **The Small Farms/School Meals Initiative:** This initiative, popularly called the “farm-to-school” project, encourages small farmers to sell fresh fruits and vegetables to schools and encourages schools to buy wholesome produce from small farmers. The program involves the cooperation of Federal, State, and local governments, as well as of local farm and educational organizations. Successful farm-to-school projects have been implemented in Florida, North Carolina, and California during the past few years, providing valuable experience for future expansion efforts.

Additionally, USDA staff facilitated the following small farms presentations:

- (1) Small Farms Workshop held in Perry, Georgia in July, 2001;
- (2) “The Gathering Strength II”—A National Gleaning, Food Recovery and Community Food Security Forum in Phoenix, Arizona;
- (3) Establishing Cooperatives at the National Black Farmers Association Conference 2000 in Richmond, Virginia;
- (4) The Community Food Security—“What’s New and What’s Ahead” at the Cornell University Food and Agriculture Leadership Institute for Extension Educators, Washington, DC; and



- (5) The “Working Together, We Can Restore Our Ecosystem—Regional Conference—Town Hall Meeting” sponsored by the South Florida Community—Urban Resources Partnership (SFCURP) in Miami, Florida.

During 2000, FNS released a publication entitled, *Small Farms/School Meals Initiative Town Meetings, A Step-by-Step Guide on How to Bring Small Farms and Local Schools Together*. This new publication contains “how to” information on bringing local producers and local school service staff together for mutual benefit; assisting small farmers in discovering new markets for fresh fruits and vegetables; and giving schools an opportunity to learn how to purchase locally grown fresh vegetables. The publication is available on the Food and Nutrition Service’s web site at: www.fns.usda.gov/cnd/Lunch/SmallFarms/small.pdf.

FNS will incorporate the Small Farms/School Meals initiative into the current Memorandum of Understanding (MOU) with the Department of Defense (DoD) to assist small farmers. Under such an agreement, DoD would use its vast experience to help small farmers market and deliver their fresh produce to schools. As part of the “farm-to-school” project, FNS, AMS, DoD, nonprofit organizations, and other USDA agencies started implementing regional workshops.

The workshops are focused on developing partnerships that promote the creation of successful farm-to-school initiatives. The first regional workshop occurred in Georgetown, Kentucky, in May 2000. Many new business relationships between small farmers and school food service directors have been formed in Davies, Fayette, and Franklin Counties as a result of the Kentucky workshop. In addition to the Kentucky workshop, other workshops were held in Oregon and New York during 2001. A small farmers conference was held in Perry, Georgia in July 2001, which generated much interest in this initiative.

■ **Expansion of USDA’s WIC Farmers’ Market**

Nutrition Program (FMNP): The FMNP was established by Congress in July 1992 to provide fresh, nutritious, unprepared foods (such as fruits and vegetables) from farmers’ markets to women, infants, and children who are nutritionally at risk, and to expand the awareness and use of farmers’ markets by consumers. The funding level for fiscal year 2001 of \$20 million supported participation of 41 State agencies, including 4 Indian Tribal Organizations.

During 2002, FNS continues to encourage expansion of the program within existing States and to new States. In addition, in FY 2001, three new sites joined the program and just over \$ 2.1 million was provided to State agencies to expand FMNP operations. In FY 2000, the FMNP served over 1.9 million women and children in the WIC Program. Over 1,600 farmers’ markets and 12,800 farmers provided fresh produce to FMNP recipients.

■ **Implementation of the Seniors Farmers’ Market**

Nutrition Pilot Program (SFMNPP): In FY 2001, USDA implemented a pilot program, the SFMNPP, using authorities and funds of the Commodity Credit Corporation. The purposes of the SFMNPP are to (1) provide, fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers’ markets,



In 2001, USDA implemented a Pilot Seniors Farmers’ Market Nutrition Program, which enables eligible seniors to buy locally grown fresh produce at authorized farmers markets.



roadside stands, and community supported agriculture programs to low-income seniors; (2) increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers markets, road stands, and community supported agriculture programs; and (3) develop or aid in the development of new and additional farmers markets, roadside stands, and community supported agriculture programs.

Almost \$15 million in grants was awarded to 36 State agencies including 5 Indian Tribal Organizations. Altogether, these grants were expected to serve more than 370,000 low-income senior citizens. The grant funds were for food benefits only. Grantees received administrative support for the pilot program from non-Federal sources such as State appropriated funds, tribal funds, private donations, and/or in-kind support. Grantees included State Departments of Agriculture, Aging, and Health, as well as tribal governments. Many of the grantees developed creative partnerships with Federal, State, and nonprofit organizations to accomplish the goals of the program. These collaborative efforts also provided nutrition education to all participating senior citizens.

SFMNPP grantees used several innovative approaches in designing their programs such as the use of a paperless system that is essentially an electronic debit program; biweekly home deliveries of produce to homebound seniors; using the Senior FarmShare Program as a model to stimulate the expansion of community supported agriculture programs; and transportation to farmers' market sites from senior centers and congregate meal sites.

For more information about this program, please visit the WIC Program/Farmers' Market Web Site at: www.fns.usda.gov/wic/FMNP/farmersmarketsmenu.htm.

- **Increasing Farmers Market Participation in the Food Stamp Program:** By October 2002, all States are required to have the Food Stamp Electronic Benefit Transfer (EBT) System in place. Since farmers markets do not have ready access to phone lines and electricity, the infrastructure for accepting EBT payments at these

locations does not exist. FNS is currently working with several States to test various solutions to these technical problems.

The District of Columbia, Hawaii, New Mexico, and Washington are using an EBT voucher-type system in selected farmers' markets. New York and Florida are pursuing the use of wireless phone technology to complete food stamp transactions at farmers' markets in the fall of 2001 in New York City, and during the next growing season in several locations in Florida.

For more information about the Food Stamp EBT System, please visit the Food Stamp Web Site at: www.fns.usda.gov/fsp/.

Natural Resources Conservation Service (NRCS)

ARKANSAS

- NRCS and the University of Arkansas at Pine Bluff (UAPB) are exploring opportunities for developing alternative crop markets. The Alternative Crop Marketing Project's aim is to improve the economic well being of small acreage, limited-resource, and rural farm families. The initial stages of the planned strategies for the project have been implemented. They include financing, recruitment, and industry promotion. The problem of developing an efficient and dependable workforce has been solved and the vegetable production is being adjusted to conform to the basic economic principles of supply and demand. The major achievements for the project are as follows:
 - Established a local market for retail produce sale,
 - Established a marketing relationship with the Carpenter's Produce Company where farmers can plan their vegetable growing activity to supply an identified market,
 - Increased the number of acres of produce grown in the area by more than 50 percent,



- Established a marketing opportunity for cooperatives with sweet potatoes with Glory Foods in Columbus, Ohio,
- Assisted in organizing two new cooperatives, Oak Growers Vegetable Co-op and Hughes Vegetable Co-op,
- Established marketing for cooperatives with the Wal-Mart Distribution Center, Clarksville, Arkansas; Chicago WIC Program, Chicago, Illinois; Agriculture Improvement Project, Markham, Illinois; Akin & Porter Produce, Inc., Greenfield, Tennessee; J.W. Holding Group Associates, Inc., Portwood, Mississippi; Glory Foods, Columbus, Ohio; and Arkansas WIC Program, Little Rock, Arkansas.



COLORADO

- The San Juan RC&D Council participated in a county government led initiative to determine ways to assist local small farmers in continuing viable farming and ranching operations in the area. The owner of a local farmers market approached the San Juan RC&D Council and asked for assistance to develop a long term operating plan and explore opportunities to advance farmers markets throughout the San Juan RC&D area. The San Juan RC&D Council also took on a project to develop Fourcornersag.com, an Internet based on-line market, to provide another outlet for local small farmers to market their products and services.

TEXAS

- A proposal was developed to establish markets for specific plant materials to be grown and marketed by small farmers and socially disadvantaged producers. This is a cooperative effort among NRCS; Texas A&M University, Kingsville; University of Texas—Pan American; Rio Bravo RC&D Council; and the Kika de la Garza Plant Materials Center.
- The Coahuiltecan Indian Tribe is considering a venture to raise bison for ceremonial purposes and to sell meat products to the public. The Alamo RC&D Council and the American Indian Liaison are assisting the Coahuiltecan Tribe, and this venture is now beginning to come together.

Rural Business-Cooperative Service (RBS)

- In accordance with the Government Performance and Results Act (GPRA), USDA drafted a five-year strategic plan for the Rural Development mission area. The plan includes a Rural Business-Cooperative Service (RBS) priority to support small, minority, women, and disadvantaged farmer programs, and it also includes support for cooperatives and value-added projects for small farmers.
- A FY 2000 priority administrative goal required State Offices to use a combination of discretionary points, outreach, and other effective strategies to make measurable progress in improving access to loan, grant, and technical assistance programs to small farmers, especially minorities, women, and beginning farmers. Each State office was requested to make at least one Business and Industry (B&I) Guaranteed loan to support the development of a small farm cooperative. The (B&I) Guaranteed Loan Program helps create jobs and stimulates rural economies by providing financial backing for rural businesses. This program provides guarantees up to 90 percent of a loan made by a commercial lender.



USDA's Rural Business-Cooperative Service administers the B&I Guaranteed Loan Program, which guarantees up to 90 percent of a loan made by a commercial lender.

- Of the \$112.57 million obligated in FY 2000, \$37,941,787 was obligated for projects that support small and beginning farmers.
- Forty-three of 47 State Rural Development Offices have staff to serve as cooperative development specialists to assist cooperative market development programs as a collateral or full time duty. Ten of the 43 States have created a full-time cooperative specialist position. The goal is to have at least one trained cooperative specialist in each State office.
- During a 6-month period in FY 2000, the Cooperative Service National Office provided technical assistance in direct support of existing cooperatives or those in development. Half (16 of 32) were in support of cooperatives serving small and minority farmers (eight in the South, five in the West, two in the North Central, and one in the East).
- The new Cooperative Stock Purchase Program is administered by the B&I Guaranteed Loan Program and has made 29 loans (\$2,576,500) for qualified individual farmers. The program provides guaranteed financial assistance to farmers to purchase stock in a start-up value-added cooperative.

- Since September 1995, North Carolina A&T State University has successfully leveraged funds received from USDA/RBS to establish a Minority Community Business Development Partnership (MCBDP). MCBDP stimulates the establishment of small business in the agricultural and minority Enterprise Communities (EC) of the Halifax-Edgecombe-Wilson Tri-County area.

Rural Cooperative Opportunities and Problems (RCOP) funded projects include:

- Examining the Barriers to Small and New Farmer Membership in Agriculture Marketing Cooperatives in the Southeastern Region, South Carolina University.
- The Role of Small-Scale Growers' Cooperatives in Sustaining Northeast Agriculture, The New England Farm Institute.
- Rural Worker Cooperatives: A Means to Economic Empowerment of People with Disabilities, University of Montana.
- The Role of Small-Scale Growers' Cooperatives in Sustaining Northeast Agriculture, Cornell University.



In FY 2000, USDA's Rural Business-Cooperative Service drafted a five-year plan that included a priority to support small, minority, women, and disadvantaged farmer programs. It also includes support for cooperatives and value-added projects for small farmers.



- Accessing Technology and Markets: Cooperative Production and Marketing Strategies for Small Scale Pork Producers, Purdue University.

Cooperative financing through B&I program funding increased from 1998-2000:

- Southern Illinois Aquaculture Cooperative, an aquaculture supply and marketing cooperative located in Pickneyville, Illinois was incorporated in 1999 with assistance from the Southern Illinois University, Regional Economic Development Center. Pembroke Farmers Cooperative located in Pembroke Township, Illinois, packs and markets fresh vegetables. It also produces and markets free-range poultry. The cooperative has been serving African-American, limited-resource farmers, since it was incorporated in 1999.
- The Community Alliance with Family Farmers (CAFF) is a nonprofit organization based in Davis, California, which promotes the needs of small family farmers throughout California. It leveraged supplemental financing (\$40,000) from the Leighty Foundation, the F.A.O. Schwartz Family Foundation, and an in-kind contribution from the Ocean Group for the development of a web site. CAFF will develop a statewide directory and web site of direct farmer-to-consumer market outlets.



The Community Alliance with Family Farmers (CAFF) is a nonprofit organization which promotes the needs of small family farmers throughout California.

These markets will include farmers markets, community-supported agriculture, U-pick operations, agri-tourism, harvest festivals, farm trails, and farm stands. It is expected that proceeds from the sale of the directory will make this project self-supporting. This project will support not only direct marketing, but also agri-tourism. The California Department of Food & Agriculture has estimated that there are between 4,000 and 4,500 growers in the State using various direct marketing strategies.

- The New Farms is a newly established tortilla baking facility in San Miguel County, New Mexico. Funding from several sources was provided for startup costs and equipment purchases. Benefits to the local community include the three new jobs and incomes from wheat sales for farmers in four surrounding counties. Two types of tortillas, breakfast cereals, and two by-products of the processing (organic animal feed and straw bales for building material) are marketed.
- State Offices were recognized (with an Administrator's Award) for excellence in support of USDA's commitment to provide financial services to small and beginning farmers. For example:
 - The Michigan State Office obligated \$8,412,800 in RBS funds to small and beginning farmers including the following:
 - (1) Rural Business Enterprise Grants (RBEG), \$236,000 or 27 percent of the \$884,000 allocation.
 - (2) Business and Industry (B&I) Guaranteed, \$8,176,800 or 37 percent of the \$26,144,300 allocation.
 - Eight of the eleven loans made for cooperative projects were to individual farmers to finance the purchase of stock in startup cooperatives under the Cooperative Stock Purchase Program.
 - Minnesota obligated \$10,399,711 in RBS funds to small and beginning farmers, including:
 - (1) RBEG, \$163,000 or 35 percent of the \$463,000 allocation



(2) B&I Guaranteed, \$10,036,711 or 21 percent of the \$47,271,000 allocation.

(3) Rural Economic Development Loan (REDL), \$200,000 or 29 percent of the \$681,000 allocation.

Two of six loans made for cooperative projects were to individual farmers to finance the purchase of stock in startup cooperatives under the Cooperative Stock Purchase Program.

- The Appropriate Technology Transfer for Rural Areas (ATTRA) clearing-house is in operation and is actively disseminating small farm information and technical assistance to farmers. In addition, ATTRA was actively involved in the 1999 National Small Farm Conference. FY 1999 funding for ATTRA increased from \$1.3 to \$1.5 million, and for FY 2000 it increased to \$1.7 million.





III. Market Access/Enforcement



USDA supports initiatives that give small farmers and families access to fair and open markets.

Commission Recommendations: The Commission's report, *A Time to Act*, emphasized the need for active government enforcement of market competition as fundamental to the economic opportunity for farms of all sizes and scales. Access to fair and open markets for family farms is perhaps the single most influential factor in determining the future structure of the farm production sector.

A Time to Act recommended mandatory price reporting, a response to the the Western Organization of Resource Councils (WORC) petition for rulemaking to prohibit captive supplies, consideration of Federal regulation of contracts, and increased staff capacity and expertise to conduct investigations and enforce fair market practices.

AGENCY HIGHLIGHTS

Grain Inspection, Packers and Stockyards Administration (GIPSA)

- GIPSA reorganized its Packers and Stockyards Programs in 1998 to strengthen its capability to conduct investigations of potential anti-competitive behavior while improving effectiveness and efficiency in enforcing the trade practice and financial protection provisions of the Packers and Stockyards (P&S) Act.





- GIPSA has investigated hog procurement contracts and marketing agreements in the hog industry to assess their use and reasons for price differences among producers. The investigations focused on criteria for obtaining marketing agreements to determine, among other things, if small sellers have access to comparable sales terms as those available to large producers.
- Several pork slaughter plants closed in recent years. GIPSA investigated these plant closings to determine the justification for closing a plant, and whether there was any potential violation of the P&S Act. GIPSA also examined the financial condition of acquired and closed plants, changes in plant capacity over recent years, and changes in concentration arising from each recent plant acquisition and closure.
- GIPSA completed a major investigation of fed-cattle procurement in the Texas Panhandle. The investigation included analysis of various cattle procurement methods often known as captive supply. USDA conducted an outside peer review of the investigation. The investigation did not indicate that use of captive supplies causes spot market prices to decline. In September 2000, USDA held a forum in Denver, Colorado on “Captive Supplies in the Livestock Industry.”
- At the request of Congress, GIPSA is completing a comprehensive study on the issue of captive supplies of cattle. The study examines variations in the definitions of captive supply among organizations that provide captive supply statistics, including the definition used by GIPSA in its annual “Packers and Stockyard’s Statistical Report.”
- The 1999 Livestock Mandatory Reporting Act requires the Secretary to collect information from packers and establish a library of swine marketing contracts. GIPSA prepared a Notice of Proposed Rulemaking describing the proposed requirements of the Swine Contract Library that was published for comment in the Federal Register on September 5, 1999. Comments were reviewed and GIPSA is developing a final rule and programs to implement a library that will provide summarized information on

contract terms and monthly reports on the number of swine under contract.

- GIPSA promulgated a rule requiring that accurate feed weights be provided to contract growers when those weights are used in determining producer compensation. While this rule is aimed primarily at poultry integrators, it also affects agreements that large packers have for the production of hogs, cattle, and lambs.



GIPSA completed a major investigation of fed-cattle procurement in the Texas Panhandle. The investigation included analysis of various cattle procurement methods often known as captive supply.

- On August 31, 1999, USDA signed a Memorandum of Understanding (MOU) with the Department of Justice (DOJ) and Federal Trade Commission (FTC). The MOU calls for the three agencies to cooperate on issues related to monitoring competitive conditions in the agricultural marketplace. The MOU replaced USDA’s informal communications on competitive issues with a communication process that is coordinated through USDA’s Office of the General Counsel. USDA cooperates with DOJ and the FTC and has conferred with them on proposed mergers, e-commerce, investigative procedures and other issues of mutual interest. DOJ’s Antitrust Division’s Special Counsel for Agriculture, Douglas Ross, spoke at GIPSA’s Millennium Conference in May 2000 and attended three meetings USDA held with States’ Attorneys General.



- GIPSA developed rapid response teams to enable it to respond quickly to breaking developments, and quickly assess their implications under the Packers and Stockyards Act. GIPSA's rapid response teams are designed to deal with high priority investigations that require expeditious examination and analysis to prevent or minimize major competitive or financial harm caused by violations of the P&S Act. During FY 2001, GIPSA conducted 51 rapid response investigations. These investigations uncovered violations of the Packers and Stockyard (P&S) Act and resulted in returning \$6.1 million to livestock producers and poultry growers.
 - GIPSA investigated meat packers' activities in cattle and hog markets immediately after USDA's Agricultural Marketing Service (AMS) replaced its voluntary price-reporting program with a mandatory price-reporting program as required by the 1999 Livestock Mandatory Reporting Act. GIPSA did not find violations of the P&S Act in relation to packers' activities in conjunction with mandatory price reporting.
 - GIPSA investigated precipitous declines in spot-market and nearby futures prices for fed-cattle purchased for slaughter following the September 11, 2001 terrorist attacks. In cooperation with the Commodity Futures Trading Commission, GIPSA found that changes in cattle supply and beef demand conditions prior to September 11 accounted for the declines in fed-cattle prices. GIPSA did not find violations of the P&S Act in conjunction with these declines.
 - GIPSA investigations of large tare weight variations have prompted procedural changes by several poultry firms to ensure accurate tare weights for poultry live haul vehicles. Weighing practices were investigated through unannounced check weighing at 104 poultry complexes in FY 2001.
 - During FY 2001, GIPSA conducted 86 feed mill orientations and weighing investigations to examine live poultry dealers' compliance with the P&S Act after implementation of new feed weight regulations.
 - Accurate weights are necessary for buyers and sellers to receive proper payment for their livestock, meat, and poultry when sold on a weight basis. GIPSA has several programs that help ensure accurate weights. GIPSA analyzes scale tests and follows up on inaccurate scales; provides training as needed to State and private scale testing agencies; does compliance investigations to ensure that auxiliary equipment used to suspend or contain livestock or poultry on a scale is standardized in weight and that the tare weight taken for auxiliary equipment is not in excess of the average tare weight of the equipment in use; conducts investigations to ensure that weighing and associated equipment is properly used to issue correct weights; and does compliance investigations to ensure that weights are not arbitrarily altered to the detriment of the buyer.
- In FY 2001, 91 percent of the scales tested met performance requirements. Scales found not to be in compliance were adjusted, repaired, or replaced. A total of 304 weighing investigations were conducted. Approximately 5.3 percent disclosed incorrect weighing, which resulted in corrective action being taken. Administrative complaints were issued against four entities for allegedly selling livestock at more than their true and correct weight.
- GIPSA has six cooperative agreements with researchers at universities across the Nation to address issues related to concentration and other structural changes, and other issues relating to enforcement of the P&S Act.



- GIPSA maintains a toll-free number (1-800-998-3447) to allow livestock producers, poultry growers, and the public to report complaints and share concerns. During FY 2001, GIPSA received 124 hotline complaints from livestock producers, poultry growers, and the public. The majority of these complaints alleged violations of the trade practice provisions of the P&S Act. Each call was referred to the appropriate office for review. GIPSA took appropriate action on complaints reporting substantiated violations of the P&S Act.

Natural Resources Conservation Service (NRCS)

- **Utah:** The Bonneville Resource Conservation and Development (RC&D) has been working with the Goshutes in Ibapah on several business ventures, which include a tourism industry, possible greenhouse, and other economic endeavors for the tribe.





IV. Risk Management



USDA officials talk with a farmer about using alternative risk management strategies and tools to help lessen the risks of farming.

Commission Recommendations: The recommendations in the Commission's report, *A Time to Act*, called for designing crop insurance programs appropriate for diversified farming operations, using sustainable agriculture methods instead of a single-crop focus, and targeting of crop insurance subsidies as defined by the Commission.

The Commission also recommended that USDA examine the Risk Management Agency's Revenue Assurance Program to determine how revenue assurance can be made more appropriate to the needs of small farms.

AGENCY HIGHLIGHTS

Risk Management Agency (RMA)

- **Agricultural Risk Protection Act (ARPA):** On June 21, 2000, the ARPA was signed into law. It takes important steps to strengthen the farm safety net. Highlights from ARPA include:
 - Makes Federal crop insurance more affordable and useful to all farmers through increased subsidies on buy-up coverage (*A Time to Act Report*, Recommendation 4.13c),
 - Improves the noninsured crop disaster assistance program (NAP) by lifting the area trigger (*A Time to Act Report*, Recommendation 4.13d),
 - Contains funding for development of new kinds of crop insurance products and for educating producers about crop insurance and other ways to lessen the risks of farming; and includes recognition of scientifically sound sustainable and organic farming practices, as good farming practices.
- **Private Sector Initiatives:** RMA has been busy implementing ARPA throughout FY 2001. One of the major goals of ARPA is to stimulate private sector development of new, innovative risk management tools and products to broaden the producer safety net to meet the demands of a dynamic agricultural market and to educate producers about crop insurance and other ways to



lessen the risks of farming. For FY 2001, almost \$20 million in 27 States was awarded for:

- Research and development of new programs and policies, including analyzing interest in and feasibility of developing new risk management products;
- Awards that focus on teaching agricultural producers how to best use risk management tools; and
- Awards to improve services to small, limited-resource, and underserved communities.

- **Premium Discount Statistics:** ARPA authorized an additional 25 percent premium discount and permanent new subsidies at higher levels of protection (*A Time to Act Report*, Recommendation 4.13c). Reports show a substantial increase in crop insurance sales and massive shifts to revenue insurance products, while Actual Production History coverage acreage dropped 49 percent. Crop Revenue Coverage (CRC) has tripled and currently covers about 51 percent of all acreage reported to date. CRC covers 67 percent of all crop insurance in force. The Revenue Assurance Program, now available in the southern plains, has increased by 7 percent.



- **Organic Farming Practices:** Beginning with 2001, RMA is providing insurance coverage on organic farming practices on all crops currently covered under the crop insurance program by written agreements, which can be obtained through private insurance companies.

- **Risk Management Education (RME):** ARPA recognized the importance of producer education as a part of an effective overall risk management program by providing funding for an expanded risk management education program (*A Time to Act Report*, Recommendation 4.12b):

- **Crop Insurance Education and Information in Underserved States:** RMA is directed to target producers in States that have been underserved by crop insurance with a special RME effort. The Secretary selected 15 States for this program: Maine, New Hampshire, Vermont, New York, Connecticut, Massachusetts, Rhode Island, New Jersey, Delaware, Pennsylvania, Maryland, West Virginia, Wyoming, Utah, and Nevada. These States have a *disproportionately large share of small farmers*. RMA funded cooperative/partnership agreements for education and information to benefit agricultural producers in most of these States for FY 2001: Connecticut, \$297,000; Delaware, \$160,000; Maine, \$285,000; Maryland, \$285,000; New Hampshire, \$200,000; New Jersey, \$325,000; New York, \$300,000; Pennsylvania, \$365,000; Rhode Island, \$165,000; and Vermont, \$200,000.

- **Specialty Crop Insurance Programs/ Partnerships for Risk Management Development and Implementation:** RMA has over 100 crop insurance plans currently available. Under ARPA, RMA is directed to form partnerships to conduct producer training in risk management, with a priority to producers of specialty crops. Small farms represent a significantly large percentage of specialty crop producers. RMA established educational partnerships totaling more than \$2 million for FY 2001. State Agriculture Departments receiving funds are: Florida, \$400,000; Michigan, \$250,000; Utah, \$219,000; Virginia, \$200,000; Washington, \$200,000; and West Virginia, \$290,000.



- **Agricultural Management Assistance:** For FY 2001, a cost-share assistance program is available in 11 northeastern underserved States listed above (Crop Insurance Education and Information in Underserved States). This cost share assistance program pays for 50 percent of the premium cost for the Adjusted Gross Revenue (AGR) insurance program. AGR is an innovative “whole farm” revenue pilot program that provides coverage for diversified cropping systems, along *with* limited coverage for livestock as part of a crop-livestock operation. AGR is available in 214 counties and 17 States. Diversified, small farms are the primary beneficiaries of this program.

- **Dairy Option Pilot Program (DOPP):** RMA is authorized to expand DOPP to 300 counties and to offer the program for more than one year to producers in pilot counties. DOPP’s relatively low production eligibility requirement (100,000 lbs. of milk over 6-month period) allows dairy farms with as few as 10 cows to participate.

- **Statistics on Risk Management Education (RME) Program:** RME is tasked with increasing agricultural producers’ awareness of risk management alternatives such as production, marketing, and financial risks. It is targeting small farm and other operators for training in agricultural risks and use of risk management tools. RMA-sponsored regional and State conferences are designed to raise awareness for the new risk environment

and to establish partnership networks among university Extension and other agribusiness professionals who influence the decisions producers make. RME coordinators in ten Regional Offices (RO) facilitate local training.

Together with these partners, RME helps fund risk management training and information in local workshops. During 2001, RMA conducted over 838 educational and outreach activities that attracted over 35,000 participants. During FY 2000, RMA conducted 858 activities and 30,095 producers were reached through risk management education sessions.

In FY 1999, 21,036 producers attended over 580 risk management education sessions. These numbers were collected by RME using “Meeting Logs.” The total number of producers attending RME courses has been steadily increasing since 1998 (14,500 producers attended education sessions). Although the number of “small farmers” that we reach is not available, the training sessions were held in areas of the country where small farmers operate and RMA believes that most of the producers reached through these initiatives operate small and limited resource farms.

Risk Management Education (RME) Coordinator Activities during FY 2001:

- **Increasing Participation in the New England States:** As a result of ARPA, the Raleigh RO is developing and implementing a targeted RME program to encourage New England farmers to take advantage of the risk management programs available to them through the RMA. A plan has been developed that includes media releases, personal contact, and contracting with partners to get the message of risk management programs to the underserved New England area.
- **RMA Partnership with Washington State Department of Agriculture (WSDA) and Washington State University:** The Spokane RO has established a partnership agreement between WSDA and RMA to provide risk management education and information to



specialty crop agriculture producers in Washington State. Washington farmers and ranchers grow or raise over 200 crops. Of these, only a few are not specialty crops. Specific needs that will be addressed include training on the various insurance products with special emphasis on Adjusted Gross Revenue (AGR), how to make the insurance decision, and broad based risk management training on how to integrate insurance, marketing, and production risks within the risk bearing capacity of the farm/ranch. Also covered will be the major risk management area facing organic producers as a result of the newly adopted National Organic Program. The partnership agreement has been approved for \$200,000.

■ **Pacific Northwest Tree Fruit Management Education**

Project: The Spokane RO and the Washington State University Cooperative Extension (WSUCE) are partnering to build on the foundation developed by the Pacific Northwest Tree Fruit Management Education project. Additional educational work and activities are needed to focus solely on expanding the outreach of this project in Chelan, Douglas, and Okanogan Counties. WSUCE in collaboration with RMA proposes additional in-depth educational opportunities for agricultural producers in North Central Washington. The objective is to train farmers, ranchers, and their families in the analysis and decision support skills to help them manage the risks inherent in agriculture.

■ **Tree Fruit Working Session with Lenders, Industry, and Congressional Representatives:**

On October 11, 2000, the Spokane RO and the Washington State FSA chaired a working session with tree fruit representatives in Wenatchee, Washington. Representing the tree fruit industries were lenders and representatives from the Washington Horticulture Association, Northwest Horticulture Council, and the Growers Clearing House. The prospect of expanding the Adjusted Gross Revenue Pilot program into Central Washington was one of the main topics at the meeting.

■ **Small Farmers and Landowners Workshop:** On October 26, 2000, Valdosta RO attended and exhibited a booth at the Pee Dee Small Farmers and Landowners Outreach Workshop in Florence, South Carolina.

■ **Farm Credit Services District Meeting:** On November 8, 2000, the Spokane RO attended the Northwest Farm Credit Services District Loan Officer Meeting. RMA provided a presentation on the new Adjusted Gross Revenue Insurance Pilot program. Loan officers are particularly interested in this program as a means of collateral on operating loans.

■ **Pacific Northwest Vegetable Growers Association (PNVGA) Annual Meeting:** On November 13, 2000, the RO presented a session on “Risk Management for Vegetable Growers” at the PNVGA Annual Meeting in Pasco, Washington. This was the first year we were able to address the general session that draws vegetable growers from throughout the Northwest.

■ **Crop Insurance Fact Sheet:** The Spokane RO responded to an independent insurance agent in Bonners Ferry, Idaho (underserved area) who inquired about becoming a crop insurance salesperson. The agent saw the Spokane RO fact sheet, *Wanted: Crop Insurance Agents* that the Professional Insurance Association of Idaho included in their recent newsletter. This fact sheet was developed as a part of the Spokane RO’s effort to promote the need for more crop insurance agents State and nation-wide, primarily minority and women.

■ **Raleigh RO Meets with the Northeast Center for Food Entrepreneurship (NECFE):**

On June 12, 2001, representatives from the Raleigh RO met with the NECFE (affiliated with Cornell University) in Raleigh, North Carolina. NECFE is offering an agricultural business training program for startup and expanding businesses called, “Tilling the Soil of Opportunity” by NxLevel Training Network. The focus of the meeting was to discuss potential educational partnerships.



- **Farm Conference Meeting:** Davis RO/FSA/NRCS hosted a Farm Conference meeting June 7, 2001. The California Farm Conference is a nonprofit corporation dedicated to bringing farmers together from throughout the region. The California Farm Conference has an annual conference targeting assistance for producer's needs. The Davis RO sponsored small farmer attendance scholarships last year. This year the RO will become an active board member and increase its level of participation and sponsorship.
- **Hay and Grazing School/Sustainable Agriculture:** Two representatives from the Oklahoma City RO participated in the "Hay and Grazing School: Sustainable Agriculture." This was a RME funded event, in which RMA partnered with the Oklahoma Land Stewardship Alliance Foundation, in Ardmore, Oklahoma. There were approximately 20 attendees. The training focused on the following: financial management, production, marketing strategies, environmental concerns, and human resources.
- **Joint International Summit on Community and Rural Development:** During a summit held July 22-26, 2001, in Duluth, Minnesota, the St. Paul RO joined with 1,200 community and rural development leaders from around the country and the world for this unique and historic gathering. The summit provided time to network and learn from a broad spectrum of community development practitioners, researchers, and teachers. USDA's Rural Development mission area sponsored the summit.
- **Annual Indian Agriculture Symposium Information:** Information was presented at the 14th Annual Indian Agriculture Symposium held in Las Vegas, Nevada. The presentation was part of a panel on Emergency Programs and centered on opportunities resulting from crop insurance reform with special emphasis on education opportunities.
- **Insurance and Educational/Outreach Program:** A presentation was given at the Northwest Intertribal Agriculture Council Conference in Pocatello, Idaho. The focus of the conference was on agricultural issues as they relate to Indian Tribes of the Northwest region and nation. The Shoshone-Bannock Tribal Nation and Fort Hall Intertribal Ag Council were the hosts for this annual event.
- **Northwest Intertribal Agriculture Council Conference in Pocatello, Idaho:** The Spokane Regional Office participated in the Conference and gave an informational presentation on the RMA insurance and educational/outreach program. The focus of the Conference was on agricultural issues as they relate to Indian Tribes of the Northwest region. The Shoshone-Bannock Tribal Nation and the Fort Hall Intertribal Ag Council were the hosts for this annual event.
- **USDA's Gleaning Crop Program:** A combined outreach effort between the Spokane RO and the State and County Farm Service Agency (FSA) offices created more awareness of USDA's Gleaning Program by distributing informational fact sheets to county producers and those who work within the agricultural communities.
- **2501 Project –Farm Workers to Farmers—An American Dream Fulfilled:** The Spokane RO is participating in this event, in an effort set forth by a regionally approved grant proposal to help farm workers transition into farm owners. The project gives RMA the opportunity to generate more awareness of RMA programs to non-USDA entities. The Northwest Area Foundation and Rural Community Development Resources will be monitoring the success of the 1-year pilot grant program.



Risk Management Education (RME) Coordinator Activities during FY 2000:

■ **Sustainable Agriculture Learning Initiative (SALI):**

SALI's goal is to inform crop insurance agents, lenders, and others of sustainable agriculture farming practices to reduce misconceptions about the risk of using sustainable, alternative, reduced or no-chemical methods. RMA's Small Farm Coordinator collaborated with the FSA, CSREES-Sustainable Agriculture Research and Education Program, and the USDA Council for Sustainable Development. The "Center for Rural Affairs" in Nebraska will pilot this project in 2002.

- **Montana Grain Foundation:** The Billings RO partnered with the Foundation and partially funded a grain and livestock marketing session and a marketing club leader-training workshop in June and July 2000 in Montana. The workshops focused on the use of grain and livestock marketing contracts, using crop insurance as a risk management tool, developing a marketing plan, and using the Internet for marketing information.

- **Train the Trainer RME Sessions:** The Oklahoma RO's 2000 RME Plan includes several "train the trainer" sessions in July, 2000, for outreach coordinators from 1890 Schools: Langston University and Prairie View A&M University. The goal of this training is to bring awareness of the risk management tools available so that outreach coordinators from these schools can use this information, incorporate training, and distribute RME handout material in meetings with minority producers in their regions.

- **The Maine Women's Agricultural Network (WAgN):** The Raleigh RO in coordination with the University of Maine partnered with WAgN to support the development of a "list serve discussion group" Internet project. The list serve will reach an unlimited number of WAgN members and other agricultural producers, informing them of risk management tools, resources, and options.



The NRCS Regional Offices have been expanding their efforts to provide recordkeeping training to underserved farmers from various ethnic groups such as Hmongs, Hispanics, African-Americans.

- **New England Successful Farming in the New Millennium Workshop:** The Raleigh RO sponsored a New England workshop in February 2000, in Nashua, New Hampshire. Approximately 100 participants attended the workshop to listen to agricultural representatives discuss marketing and labor related risks. In addition, a Successful Small Farm Marketing Panel breakout session listened to small farm producers explain obstacles and solutions to marketing risks.

- **Risk Management Education/CSREES Listening Session:** On September 25, 2000, the Spokane RO participated on the panel for the CSREES Listening Session in Boise, Idaho. Fifteen participants presented their written comments to the panel. There was also general discussion on the grant process. Testimony was received from five States representing individual producers, commodity organizations, university and extension specialists and Directors. The success of the Pacific Northwest Risk Management Education Project was very evident from almost all presenters. In addition, most presenters expressed appreciation for increased efforts specific to crop insurance education.



- **California RME Workshops:** The Davis RO provided financial assistance in sponsoring RME workshops throughout their region directed at smaller farmers. The assistance has been in cooperation with the University of California and the University of Arizona Extension Service to provide various educational seminars. Small Farm Advisors have been used to teach these workshops, which include education on recordkeeping, financial planning, pest control, and marketing.

To assist small and minority farmers, sessions have also included interpreters who translated the information into Hmong and Spanish. An RME grant was also given to the Salinas California Community Center to educate Spanish-speaking growers on various agricultural issues and risks. The Davis RO is also working with the University of California Small Farm Director to develop educational programs for small farms throughout California.

- **Risk Management for Pacific Northwest Agriculture: “A Continuing Education Crop Insurance Conference.”** The Spokane RO partnered with Reinsured Companies and Washington State University Cooperative Extension and conducted a continuing education crop insurance conference in June 2000, in Spokane, Washington. This conference provided education to crop insurance agents (commodity organizations, brokers, lenders, and others) with hopes they will become advocates of total farm risk management. Training included a session on needs of small limited-resource farmers to encourage crop insurance companies to increase their minority and women sales agents and loss adjusters.
- **Pilot Organic Crop Insurance Meeting:** The St. Paul RO held two “committee” meetings for organic farmers during June 2000, to explain a proposed pilot program on certified organic farming practices.
- **USDA’s Beginning Farmers Advisory Committee:** The Valdosta RO provided a report to the Advisory Committee on RME activities for one of the 1999 RME Request for Proposals Grants. In FY 1998, four RME grants specifically targeted small and limited-resource farm groups, totaling \$880,000. These grants went to the Georgia Department of Education’s “Young Farmers Program.” The Young Farmers Program consists of 56 young farmer-teachers who provide risk management training for minority and limited-resource farmers throughout Georgia.

For more information on the Risk Management Agency, please visit our web site at www.rma.usda.gov/.



V. Conservation



USDA programs support conservation efforts to achieve cleaner water and provide funding to local communities and tribal organizations for safer drinking water.

Commission Recommendations: In its report, *A Time to Act*, the Commission recommended that the Natural Resource Conservation Service and other appropriate agencies conduct local educational seminars for small and traditionally underserved farmers and ranchers for the purpose of explaining agency programs, including the environmental and economic benefits derived from the programs.

The Commission also recommended that farm policy should reward responsible stewardship and care of natural resources including the land, water, and air.

AGENCY HIGHLIGHTS

Natural Resources Conservation Service (NRCS)

CONNECTICUT

- NRCS in Connecticut reports a unique success story in the town of Woodstock. Woodstock citizens, town officials, and agricultural interests recently held a town meeting and agricultural forum to figure out how to protect the cultural characteristics of the town. About 450 Woodstock residents showed up to unanimously vote yes for 1) a right to farm law, and 2) adding language to their open space acquisition ordinance which would allow them to preserve farmlands. NRCS has assisted the Woodstock Initiative since its inception. NRCS participated in the Agricultural Forum with local leaders and other partners and is using Conservation Technical Assistance to continue to help the community address their natural resource concerns and quality of life needs while ensuring a viable farming community.

GEORGIA

- A stream bank erosion-control project along an important river system, using a new and innovative method for treatment, has been completed in Dawson County, in northern Georgia. The project was installed on a farm



located on the Etowah River. Past attempts have seen limited success and were very expensive. In this case, the 400-foot stretch of bank 14 feet high would have cost as much as \$80,000 to protect using conventional methods. The new method, known as “Tree Revetments,” was completed for a cost of less than \$10,000. This method has been used in North Carolina and proven to be an effective way to protect eroding stream banks. The reduced cost makes it attractive for use on small farms.

IDAHO

- NRCS and the Three Rivers RC&D Council are working with tribal leaders to study pesticide/nutrient uses on the reservation. A video and brochure were developed during the first phase of this multi-year project to help integrate tribal values into program strategies. The RC&D Council received a grant from the Western Region Sustainable Agriculture Research and Education Council to explore and implement sustainable agricultural practices and outreach on the reservation for the protection of groundwater. In addition, farmers on the reservation signed up 16,000 acres into the Conservation Reserve Program (CRP) for the first time.



NRCS and local Resource Conservation and Development Councils work with tribal leaders to study pesticide/nutrient uses on the reservation.

- NRCS Plant Materials Center at Aberdeen is providing assistance to the tribe in developing a wetland plant nursery. Staff is providing training to tribal members on how to collect wetland plant seeds, clean the seeds, and produce wetland plant plugs.
- The Idaho Association of RC&D Councils sponsored a series of five workshops throughout Idaho to provide training for those concerned about farmland protection. Funding for the workshops came from the Western Sustainable Agriculture Research and Education professional development program, American Farmland Trust, and Idaho Rural Partnership. Over 250 people attended the workshops, which were held in Preston, Idaho Falls, Twin Falls, Caldwell, and Moscow. Participants included county commissioners, city and county planning and zoning commissions, local land trusts, concerned citizens, county agents, soil conservation district supervisors, and NRCS district conservationists.
- Workshop cosponsors included NRCS, Idaho Association of Counties, Association of Idaho Cities, Idaho Planning Association, Idaho Smart Growth, Idaho Soil Conservation Commission, University of Idaho Cooperative Extension System, and local RC&D councils. Topics covered included the importance of agricultural land and open spaces, identifying land use issues including economic and demographic changes, how to estimate citizens’ preferences and attitudes toward land use trends, and understanding tools and techniques available in Idaho to accommodate development while protecting open space and farmland.

INDIANA

- The Miami Nations American Indian tribe received \$5,000 from NRCS to bring back the native grasses that they use in their religious and celebration ceremonies. They have been working with the local Soil and Water Conservation District to implement this grant.



KENTUCKY

- Equipment was purchased for use in Wayne County to introduce improved production practices for small vegetable producers. This equipment is still operational and continues to be used throughout the county. A second part of the project was to design and develop erosion plots on a highly erodible site on the Kentucky State University Land Grant Program (KSULGP) farm to measure the erosion and run-off associated with different vegetable cropping and mulching systems raised on erodible lands. This location has served as the site of several water quality research initiatives and projects as well as educational tour stops for field days. Numerous cropping systems and vegetable species/variety trials have been conducted on this site.

Information generated has resulted in refereed research journal articles and informational handouts. The erosion plots have become an integral part of KSULGP's water quality research efforts, measuring not only soil run-off, but pesticide and chemical run-off as well. The plots will provide the test site for a new USDA Capacity Building Grant initiative, which addresses the development of a botanical insecticide as a substitute for synthetic pesticides. The site will allow the monitoring of the field applied botanical insecticide. The site may also provide the initial site for growing the plant species from which the botanical insecticides will be extracted; thus the plant species can be monitored as a potential crop for limited-resource farmers as well as for its insecticide properties.

LOUISIANA

- Through the Grazing Lands Conservation Initiative (GLCI), NRCS personnel in Louisiana have worked with community leaders and others to conduct numerous field days on grazing land management with socially disadvantaged agriculture producers to help them with their individual operations. Throughout Louisiana many small-scale agricultural producers are participating in the Conservation Reserve Program (CRP). The CRP is giving



landowners a lifeline—a way out to save their farms. Also, many of Louisiana's small-scale, forest landowners are applying for and participating in the Forestry Incentives Program (FIP) that helps them restore forestland areas.

NRCS has provided direct assistance to small scale farmers through every one of the programs it administers: conservation operations, soil surveys, RC&D, plant materials, watershed construction, river basin studies, EQIP, WRP, CRP, FIP, and WHIP.

MAINE

- The District Conservationist from Washington County, in eastern Maine, and his staff made a series of presentations to approximately 150 small-scale blueberry growers who have been contracting with one of the large blueberry packers in the State. The vast majority of these producers have had little or no experience with USDA programs. Specifically, the District Conservationist discussed Integrated Crop Management (ICM) practices for blueberries and explained the availability of EQIP funds for adopting this management practice. Many of these producers expressed an interest in participating in the EQIP program in the following fiscal year.



- The NRCS and Conservation District staff in the Fort Kent field office in Aroostook County, in northern Maine, have made a concerted outreach effort to the growing number of small-scale beef producers in the northernmost area of Maine. The Soil Conservationist, the grazing specialist for that part of the State, has made a series of presentations at beef producer meetings hosted by a local chapter of Heifer Project International. Funds from both the GLCI and EQIP are being made available to assist producers in adopting best management practices for grazing management and animal waste management.

MARYLAND

- A great deal of effort is placed on small farms in the Maryland Water Quality Improvement Act of 1998, because it affects every landowner having at least \$2,500 of gross income or 8 animal units. NRCS, the State Soil Conservation Committee, and Soil Conservation Districts have placed a high priority on assuring that small farmers are able to cope with the regulations. As one example, NRCS has developed new standards for temporary storage of manure to reduce the cost. In one county, NRCS worked with the district to purchase equipment, and leases it at a low cost to small farmers.



OREGON

- NRCS has implemented a highly successful Oregon Small Acreage Outreach Effort in order to reach the State's small acreage farmers and rural residents and provide conservation information applicable to their property. This program has facilitated various educational products directed towards the needs of small farmers and ranchers, including:
 - (1) attendance of 2,540 landowners at 42 voluntary conservation workshops,
 - (2) distribution of 50,000 fact sheets entitled *Tips for Land & Water for Small Acreages in Oregon*,
 - (3) development and distribution of 20 *Small Acreage Fact Sheets* over the web, and
 - (4) showcasing of 5 table top displays at county fairs, libraries, and farm supply stores.

NRCS has been a partner in developing and hosting 42 voluntary conservation workshops for 2,450 rural producers and small acreage landowners held across Oregon. Initially, EQIP Education funds were used to develop the project and workshop materials. Once organizations and landowners realized the success of this effort, partnerships were formed along with assistance from numerous other agencies.

- The Oregon Watershed Enhancement Board, the Oregon Association of Conservation Districts, and the Washington County Soil and Water Conservation District (SWCD) have also contributed in-kind services. In addition to the financial contributions, Extension Service Small Farms Program, Farm Service Agency, Forest Service, local Soil and Water Conservation Districts, Watershed Councils, Oregon Department of Fish and Wildlife, Resource Conservation and Development (RC&D) Councils, and agribusiness groups provided presenters for the workshop.

This outreach effort has formed strong partnerships throughout the State and united agencies to move toward education and outreach for the small acreage owner. These workshops took participants through the first four steps of the planning process in a group setting. They



were then made aware of the opportunity to develop a conservation plan. Landowners learned the benefits of conservation, the processes involved, and actions to plan and implement conservation planning and best management practices (BMPs). They learned BMPs in relation to healthy watershed issues, including how to make a positive impact on critical salmon habitat and water quality. Each workshop was centered on “Voluntary Conservation on Your Land” binder packets that were issued to each participant and are currently available in both English and Spanish.

PENNSYLVANIA

- A project started through USDA’s Water Quality Initiative in 1991, targeting 135,000 acres in the Pequea-Mill Creek Watershed, is located in central Lancaster County in south central Pennsylvania. Dairy is the dominant agricultural enterprise with over 55,000 dairy cows in the watershed. The project area is made up of approximately 1,000 mostly Amish farmers mainly operating on less than 50 acres. The project’s goal is to reduce sediment and nutrients in streams and protect the waters of the Chesapeake Bay. Partnerships working together have taken water that even the cows could not drink back to limestone streams that support “put and take” fishing, which were stocked for the first time this year. To date, 624 farmers have installed at least one conservation practice. Amish farmers continue to be involved in conservation activities to clean up the water affecting the Chesapeake Bay and to provide more green space, healthier cows, and wildlife habitat for their children.
- Project Grass is a cooperative effort by local farmers and county conservation districts with assistance from NRCS and other Federal agencies to improve agricultural productivity in 18 counties in southwestern Pennsylvania. The organization’s second objective is to “Improve the economic position of Pennsylvania farmers, particularly farmers working on small farms.”
- NRCS provides technical assistance to the farmers, which helps them plan grazing rotations; determines what will work best on each farm; and coordinates pasture walks



and field days. At the field days, farmers are able to talk to each other about what’s working and what’s not. NRCS has also committed a full-time employee to coordinate the program and work with farmers and conservation professionals to insure that the most advanced technology is available to the farmer.

- Over 100 small farms have installed grazing systems, which have ultimately increased their bottom line. By implementing intense rotational grazing plans, farmers can reduce their feed costs. One farmer added water to a paddock grazing system and increased milk production by four pounds per cow per day in his 90-cow herd. Cost-share on projects provides additional help for farmers. Additional counties are slated for participation in the project.

PUERTO RICO

- The Culebrinas SCD and the Fields Office staff in coordination with the Puerto Rico Department of Agriculture (PRDA) held a meeting with small coffee producers at Pezuela Ward, Lares. The purpose of the meeting was to coordinate a pilot program between NRCS and the PRDA to promote coffee planting using the recommended conservation practices.



TEXAS

- The USDA programs benefit a broad spectrum of Texas residents. The outreach efforts are paying off in increased applications from small farmers, ranchers, and socially disadvantaged producers. More of their applications are being approved, which has brought about an improvement in the local natural resources base. For example, NRCS records indicate a 5-percent increase of EQIP applications from small farmers, ranchers, and socially disadvantaged producers, with a 19-percent increase in their applications being approved.

The WRP program data points to a 25-percent increase in applications from small farmers, ranchers, and socially disadvantaged producers. The data also show that approximately 21 percent of the CRP and EQIP participants are minorities and women.



UTAH

- The Utah RC&D program continues to work with small farming communities to develop new and value-added products and tourism. The program encourages businesses that are compatible with the culture of a community. EQIP dollars are used to assist tribes in basic conservation. Program information continues to be discussed with small farmers. There is an initiative in the State to discuss conservation methods with persons buying land for a small farm that previously may not have been farmed. One grant has been requested from the Outreach Division in order to accelerate this initiative.

VIRGINIA

- Natural Resource Conservationists in an NRCS Service Unit covering nine counties in central Virginia recognized that a large number of minority landowners were clear-cutting their timberlands and not replanting. NRCS partnered with the local SWCDs including Piedmont, Lake Country, Peter Francisco, and Southside to address the resource concern of deforestation. Although landowners would receive an immediate payment for their timber, clear-cutting would result in long-term negative effects for the landowners' economic returns and for the natural resource base. Part of the reason for this phenomenon was landowners' lack of awareness about the economic benefits of replanting versus natural re-growth, and the cost share available through the Forestry Incentives Program (FIP). In order to provide information to the target community, the service centers mailed over 1,600 letters to minority farmers describing the program.

This activity addresses several State and regional strategic goals, including working with underserved customers to remove participation barriers, increasing participation of underserved individuals in USDA programs, increasing diversity of program participants, and ensuring that farm bill programs are fully implemented. As a result of this targeted outreach effort, 16 minority and women



NRCS often partners with local Soil and Water Conservation Districts (SWCD) to provide sound natural resource management, technical assistance, market conservation, and program cost sharing to traditionally underserved small farmers and ranchers.

landowners signed up for FIP and are reforesting their land with cost share and NRCS technical assistance. Since these 16 landowners applied late in the signup period, the initial FIP State allocation had been depleted. Through persistence by the District Conservationists and contract reconstitutions by the FIP Manager, funds were found to cover these contracts.

Under the FIP program, 785 acres will be treated. Landowners will receive cost share on tree planting and site preparation in the amount of \$22,645. Through the diligence of the local members of the conservation partnership, landowners received education about NRCS, forestry management, stewardship, and cost share. The partnership was able to provide sound natural resource management technical assistance, market conservation, and program cost sharing to traditionally underserved clientele. Although these 16 participants represent a major accomplishment, based on the names in the database, a large effort remains. Marketing NRCS programs will continue with these and other small farmers.

WYOMING

- A full-time resource conservationist is headquartered at Fort Washakie, Wyoming, to serve the Eastern Shoshone and Northern Arapahoe tribes on the Wind River Indian Reservation. The Wind River Indian Reservation, located in Fremont County in central Wyoming is an Environmental Quality Incentives Program (EQIP) Priority Area.

This EQIP Priority Area shares a dual priority-irrigated lands and grazing land resources on the reservation. EQIP funding in the amount of \$202,308 was provided to the Eastern Shoshone and Northern Arapahoe tribes, and other land users on the reservation to improve range condition, riparian area health, and wildlife habitat, and to reduce water quality concerns. The financial and technical assistance through this program will improve the ability of small, limited-resource farmers in the area to establish and maintain economically sustainable operations.



VI. Credit and Finance



USDA provides direct or guaranteed loans to eligible farmers for new and existing operations.

Commission Recommendations: The Commission wanted USDA to disallow nonfarm corporations to become direct competitors with farmers in agriculture production (recommendation 3.17). It also recommended that Rural Business Service (RBS) revise Business and Industry (B&I) regulation 4279-113(h). In addition, the Commission wanted RBS to strengthen bank use of B&I loan programs (Recommendation. 4.10) and wanted RBS to conduct outreach for the Intermediary Re-lending Program (IRP) through regional and national conferences (recommendation 4.11).

AGENCY HIGHLIGHTS

Farm Service Agency (FSA)

- **Repayment and Advance Policies:** FSA continues to reinforce the repayment policy so that the period of repayment reflects the useful life of purchases. Also, as recommended by the Commission, lines of credit cannot be implemented under the 1992 Credit Reform Act. Any advance is considered a new loan under OMB guidelines; therefore, loanable funds would be reduced by 80 percent
- **Shared Appreciation Regulations and Agreements:** Shared appreciation regulations enacted in FY 2000 provide for a set-aside of the appreciation when it comes due, if it cannot be paid. FSA has authorized extended terms on shared appreciation agreements by converting them to nonprogram loans. On all shared appreciation loans, each servicing office receives a monthly report of expiring agreements, and borrowers are notified annually and 60 days prior to expiration. A notice was issued to field offices instructing them that USDA had determined that payment would be made without offset for a single-year crop loss disaster assistance program, and the small hog operation payment program.



- **Farm Loan Programs:** By law, farm loan programs are directed to family size farm operations. Below are a list of dollar amounts and number of loans made in FY 2000 and 2001. There is also a description of Lo-Doc (a low documentation process to reduce operating loan approval timeframes).

Below is a chart showing the type of loans and amounts approved by FSA in FY 2000 and 2001:

	FY 2000 Dollars in Millions	FY 2001 Dollars in Millions
Loan Amounts		
Direct Operating Loans (OL)	\$664	\$690
Guaranteed OL Regular	\$999	\$998
(Interest Assistance)	\$802	\$464
Direct Farm Ownership	\$233	\$163
Guaranteed Farm Ownership	\$873	\$852
Emergency	\$151	\$ 90
Number of Loans		
Direct Operating Loans	14,023	14,403
Guaranteed Operating Loans	6,798	6,389
(Interest Assistance)	4,646	2,696
Direct Farm Ownership	2,085	1,472
Guaranteed Farm Ownership	3,488	3,283
Emergency	2,451	1,679

- **The Lo-Doc Direct Operating Loan Rule:** This rule, effective January 9, 2001, amended the regulations governing the Farm Service Agency's direct operating loan (OL) program by simplifying the application process for certain farmers requesting assistance of \$50,000 or less and for certain recurring OL applicants who borrow operating capital from the Agency each year. By making FSA's direct OL program application process more consistent with standard industry practices, these operating loan applications have made bearer processing

more efficient and less time consuming. This has decreased the timeframe for family-size farmers to receive their credit, thereby allowing them to conduct their farming operations in a timelier manner. This rule reduces the amount of paperwork necessary to apply for a loan, saving time for both the Agency and applicant.

Rural Development/Rural Business-Cooperative Service (RBS)

- Based on the Commission's recommendations (i.e., 5.11, 1.10, 1.32, and 3.22), the Rural Development's Business and Industry (B&I) program is revising its regulations on the use of B&I funds for Cooperative Stock Purchase. This option has always been available to small farmers, but the revised regulations will make it much easier to access B&I funds for this purpose. The revised regulations with the proposed changes will be available for public comment during FY 2002 and issuance during FY 2003.
- A *Cooperative Stock Purchase Program* brochure has been published and widely distributed.
- RBS State office staff are participating with private sector experts to be certified by the use of a B&I CD-ROM training package produced by the Rural Business-Cooperative Service.
- RBS conducted a national conference during 1999 for 120 intermediary re-lenders.



How B&I Guaranteed Loans Helped:

- **California—B&I Guaranteed Loan to F.B. Fisheries, Inc. with Desert Community Bank:** F.B. Fisheries is a minority-owned farm operation (aquaculture) located in the Riverside County Empowerment Zone. Leveraging (supplemental financing) in the amount of \$473,000 created 14 jobs and saved 5 jobs. This loan allowed the transfer of ownership and further development of an existing aquaculture operation. The business' main product is tilapia, a fish for which there is a growing demand in California's growing urban ethnic communities. Loan proceeds allowed the addition of 30 additional aquaculture tanks and provided working capital.



- **Oregon—Intermediary Re-lending Program Loans:** Valley Development Initiatives made an Ultimate Recipient loan to Frontier Custom Cutting, Inc. The recipient performs mobile custom meat cutting and packaging of livestock and wild game. Lane Council of Governments (LLC) made an Ultimate Recipient loan to Sweet Creek Foods, LLC. This recipient is an organic food processor of fruits and vegetables. In addition to other products, they make berry jams, syrups, and soups. Sweet Creek Foods obtains produce from local farmers.

A second Lane Council of Governments Ultimate Recipient loan was made to Pam's Sunnyside Greenhouse and Flower Shop. The loan provided for expansion of the existing wholesale nursery, which produces and sells primarily indoor flora and outdoor potted plants.



VII. Research and Extension



USDA Agricultural Research Scientists engage in a variety of projects to advance the food and agricultural sciences.

Commission Recommendations: The Commission recognized that the traditional focus of Federal research and extension programs is on improving farm productivity with technological improvements. However, the Commission explicitly recommended that USDA's Research, Education, and Economics (REE) agencies shift resources to improving farm profitability through technologies and strategies that optimize farm management skills, reduce capital and operating costs, produce higher valued products, and capture a larger share of the consumer dollar.

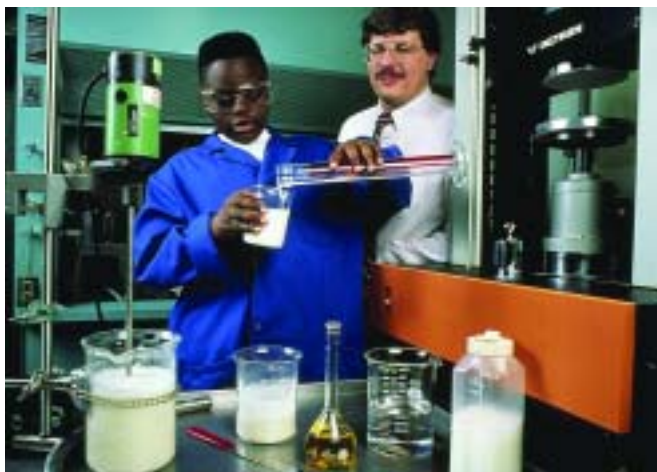
Specifically, the Commission recommended that by 2002, at least two-thirds of the Agricultural Research Service research portfolio should consist of projects that contribute to income-earning capacity and competitiveness of small farms.

AGENCY HIGHLIGHTS

Agricultural Research Service (ARS)

- ARS finances and conducts research under seven major program activities: Soil, Water, and Air Sciences; Plant Sciences; Animal Sciences; Commodity Conversion and Delivery; Human Nutrition; Integration of Agricultural Systems; and Agricultural Information and Library Services. Within these programs, ARS is continuously capturing opportunities to enhance the sustainability of small farms and rural communities. Using criteria developed in cooperation with the USDA Commission on Small Farms, 1,109 ARS research projects were evaluated in a two-step process.

First, the ARS research projects were screened to identify those with no direct relevance to small farms. Seven percent of the projects had no direct relevance but many of these focused on human nutritional requirements and food intake relevant to all Americans. In the second step, the 1,109 remaining projects were evaluated using eight criteria to determine if they had a low, medium, or high direct impact on small farm sustainability. The majority of projects (72%) were in the medium category while 12% were in the high.



Although the current ARS portfolio meets the recommendations of the Commission on Small Farms, the Agency is actively seeking ways to increase the percentage of its projects in the high impact category.

- The ARS is using outreach activities to identify the research priorities of limited-resource farmers. One example is the USDA/ARS National Outreach Workshop, “Better Serving the Historically Underserved Farm Community” on November 14-15, 2000 in Laurel, MD. Participants identified eight categories of research needs for the ARS to address: organic farming techniques and markets; genetic studies; cultivation for native plant restoration and re-forestation; irrigation for small farms; pest/weed control; alternate uses of tobacco crop land; grasslands/pasture conservation and productivity; and low-input ranching and using grazing to reduce forest fires. The workshop report is now available by contacting Melinda McClanahan at mcclanam@ars.usda.gov.

Following are some research accomplishments that illustrate ARS’s contribution in the areas of knowledge, technologies, improved germplasm, and decision-support tools to make small farms more sustainable.

- ***Dogs are a reservoir for *Neospora caninum*.*** The number one cause of abortions in dairy cattle in California is now attributed to infections with *Neospora caninum*. Scientists at Beltsville, Maryland have demonstrated that dogs are a reservoir for this

parasite that results in costly calf losses throughout the world. This information is a key element to understanding the life cycle of this parasite, and provides an immediate means to break the cycle of infection in cattle with neosporosis.

- ***Improved biological control agent for fire blight identified.*** Fire blight, a bacterial disease of apples and pears, causes serious production losses each year, particularly as more susceptible fruit varieties are planted and existing fire blight bacteria become more resistant to commonly used antibiotics. Scientists in Wenatchee, Washington, using a novel technique to produce crab apple blossoms year round, isolated another species of bacterium that is antagonistic to the fire blight organism and is significantly better at controlling the disease than currently available biological agents. Using this new strain will allow fruit producers to better manage the disease and reduce losses in apple and pear orchards.

- **Mating disruption technology for control of the diamondback moth and cabbage looper.** The Food Quality Protection Act of 1996 puts many of the chemical pesticides used for insect pests of cole crops at risk. The loss of these and other insecticides, along with a lack of



Researchers and investigators, funded by NRCS, conduct important studies to determine whether increased zinc intakes might prevent or help alleviate behavior problems that directly affect school performance and social development for many children.



suitable substitutes, threaten the economic existence of many small and medium farms. ARS scientists at Gainesville, Florida have developed a highly effective mating disruption system that conserves insects which are natural enemies to the diamondback moth and cabbage looper in Florida's cole crops. This mating disruption system helps control the damage done by insect pests of cole crops at risk, especially cabbage. Pheromone treated fields generally required 80 percent fewer insecticide applications compared to conventional control practices. This technology has also been used successfully to control beet armyworm in cotton. It is being commercialized by the Shin-Etsu Chemical Company and United Agri-Products.

- **Zinc status is predictive of mood disturbances and behavior problems.** Investigators at the Grand Forks Human Nutrition Research Center, in collaboration with investigators from Texas, have provided the first evidence that zinc status is predictive of mood disturbances and behavior problems in school-aged children. Researchers point to the need for further study to determine whether increased zinc intakes might prevent or help alleviate mood and behavior problems that directly affect school performance, cognitive and social development, and quality of life for many children.
- **Early nutritional deficits affect learning ability.** Investigators at the Arkansas Children's Nutrition Center found that elementary children and junior high school children who were undernourished at a younger age had slower reaction times which point to less automated work recognition, and differences in neurophysiology of specific brain areas, frontal sites, that are often linked to post-decisional information processing. These results are important because they suggest that early nutritional deficits can produce problems related to information processing that can impair learning ability.
- **Increasing small-farm profitability by supplementing cows on pasture with corn.** Thousands of farms across the South raise beef cattle on Bermuda grass pastures that decline in nutritional value in the late summer. As a result of this nutrient deficiency, producers are not able to put

weight on their cattle and have to sell the animals. Researchers in Booneville, Arkansas, using corn to supplement stocker steers on pasture, found that 2 pounds of corn per day per animal increased average daily gain by 26%; 3 pounds by 42%; and 5 pounds by 40%. Economic analysis showed that 3 pounds per day provided the best net return over a wide range of cattle and corn prices. The increased rates of gain allow producers to keep their cattle on the farm longer and add value profitability before they sell the animals in the Fall.



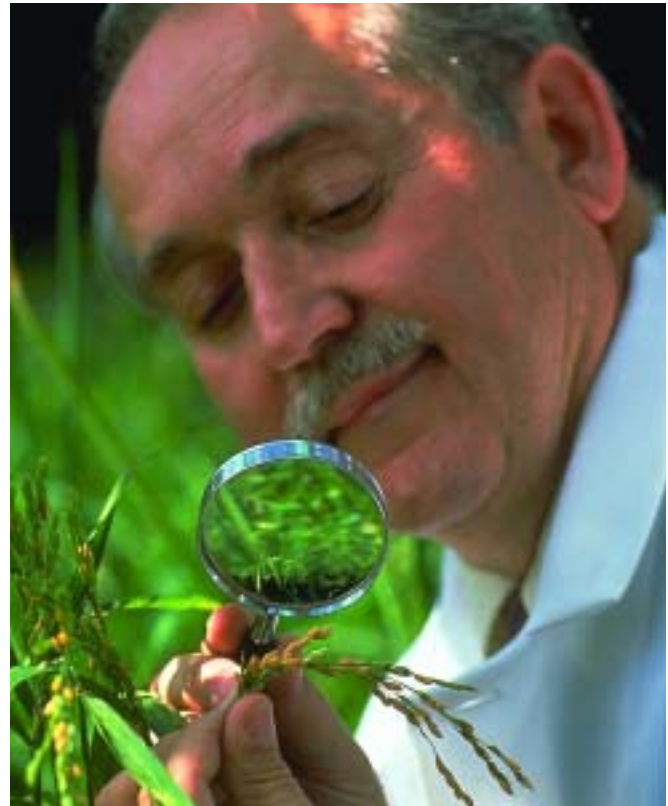
- **Cultural and composting practices improve soil quality and decrease plant disease.** Intensive crop production practices can decrease soil quality and increase the incidence of plant diseases leading to a non-sustainable production system increasingly dependent upon expensive and potentially harmful inputs. ARS researchers at Beltsville, Maryland developed a production system for strawberries and other fruit and vegetable crops using on-farm compost and cultural practices, such as drip irrigation, mulch and use of disease-free stock at planting, that can replace fumigation with methyl bromide, a chemical that will soon be banned. These practices, for example, have been shown to be effective in controlling the devastating red stele disease in strawberries while improving soil tilth. This more sustainable system can be used by all sizes of operations and is especially useful for smaller (e.g., pick your own) growers producing high quality, high value crops.



■ **Catfish fingerlings fed daily in mixed cultures have higher production.** Catfish cultured in commercial ponds are often fed every other day during extremely hot weather; however, fewer feeding days can result in lower yields and economic returns. Scientists at the ARS Aquaculture Systems Research Unit in Pine Bluff, Arkansas compared production of mixed size groups of channel catfish fed daily with those fed every other day when pond water temperatures were 90° Fahrenheit or higher. Results showed that fingerlings fed every day had higher survival rates, grew 70 percent larger, and had 23 percent greater net production than fingerlings fed every other day. Based on these results, every-day feeding, even during extremely hot weather, will result in higher production efficiency and profits.

■ **Marker strains of *Aspergillus flavus* facilitate crop resistance determination.** Aflatoxins are natural poisons produced by two common fungi, *Aspergillus flavus* and *Aspergillus parasiticus*. These fungi invade crops such as corn, peanuts, cotton, and treenuts which produce aflatoxins, making the crops unfit for sale under existing regulatory guidelines. ARS scientists have developed marker strains of *A. parasiticus* to monitor the progression of aflatoxigenic fungi during invasion of corn and cotton and their ability to make toxin. These marker strains of the fungus allow rapid screening of the germplasm of affected crops, to determine resistance to fungal invasion and toxin formation.

■ **Future weed management strategies may require modification.** It may be more difficult to deal with weeds as atmospheric carbon dioxide increases in the next century. Photosynthesis and growth are stimulated in weeds such as lambs' quarters that use the so-called C3 pathway for carbon assimilation. ARS scientists in Beltsville, Maryland have shown that the sensitivity of lambs' quarters to glyphosate, the active ingredient in a widely used herbicide, is reduced at carbon dioxide levels expected in the next century. Application of the recommended herbicide dose killed 100 percent of the plants at current carbon dioxide levels, but higher doses were required as the carbon dioxide levels increased. In contrast, higher carbon dioxide levels did not affect the herbicide's effectiveness on pigweed,



Scientists at USDA's Agricultural Research Service conduct important studies that have saved farmers, ranchers, and dairy producers millions of dollars in direct costs, increased productivity, and an increase in overall profitability in farm and ranch operations.

which uses a different pathway for carbon assimilation. These results indicate that weed management strategies may require modification in the future as atmospheric composition changes.

■ **Reducing phosphorus supplementation in dairies will improve profitability and environmental quality.** Excessive accumulation and runoff of phosphorus are major environmental concerns when manure is applied to croplands. A survey of farms by ARS scientists at Madison, Wisconsin found that dairy producers frequently feed excess supplemental phosphorus because of a current myth that dairy cattle must be fed above recommended levels to prevent the loss of milk production and poor reproduction. Research at the



U.S. Dairy Forage Research Center showed that the recommended levels easily met the animal's needs for milk production and reproduction without using phosphorus from the bone. Their research also estimated that reducing phosphorus supplementation to recommended levels would save the U.S. dairy producers \$100 million annually in direct costs and reduce by 60 percent the number of farms where the phosphorus in manure exceeds the phosphorus used by crops.

- **A region on chromosome 2 in cattle contains a gene(s) that influences birth weight.** Large birth weight is a major cause of calving difficulty and consequent calf mortality. Selection for lower birth weights alone also reduces subsequent growth rate. ARS scientists conducted a genomic study and found that a region of chromosome 2 contains a gene or genes that affects birth weight without any affect on subsequent growth. This discovery is important because it will increase the number of live calves produced and the overall profitability of cattle production. Producers will be able to use DNA markers to select cattle with lower birth weights and less calving difficulty and still be able to maintain high growth rates.
- **Polarization as a methyl bromide replacement.** Methyl bromide, a widely used soil and postharvest commodity fumigant, is scheduled to be banned in 2005 because of damage to the stratospheric ozone layer. Unless practical, economical alternatives are found, growers and other methyl bromide users will be negatively impacted.



An ARS scientist at the U.S. Horticultural Research Laboratory, Fort Pierce, Florida covered the soil under clear plastic for at least 6 weeks during summer to “cook” weed seeds, diseases and some nematodes. Yields on 3 pepper fields were comparable to those receiving methyl bromide fumigation. In tests run on an organic farm, production rose 30 percent, labor dropped 75 percent, and profits jumped 100 percent. This technique works for crops planted in the fall and requires that fields be prepared at least 6 weeks before planting.

Cooperative State Research Education and Extension Service (CSREES)

- **USDA Advisory Committee on Small Farms and USDA Small Farms Coordination.** CSREES and NASS teamed up to support these two USDA small farms groups: On December 10, 1999, a notification of appointment to the USDA Advisory Committee on Small Farms, containing the names of 19 individuals, was published in the *Federal Register* (Volume 64, No. 237, pg. 69222-69223). The terms of all members expired in November 2001, two years after initial nominations.

The USDA Advisory Committee on Small Farms was established to maintain an external advisory mechanism on small farm issues after the charter of the National Commission on Small Farms expired in July 1999. Establishment of the Committee also ensured the continued consideration and implementation of the 146 recommendations made by the USDA National Commission on Small Farms in its report, *A Time to Act*. In addition, the Committee does the following:

- Monitors government and private sector actions, policy, and program proposals that relate to small farms, ranches, woodlots, and farm workers,
- Evaluates the impact such actions and proposals may have upon the viability and growth of small farms, ranches, woodlots, and farm workers, and
- Reviews USDA programs and strategies to implement small farm policy and advises the Secretary on actions to strengthen USDA programs for small farmers and ranchers.



The Committee is in the public interest and within the duties and responsibilities of the Department of Agriculture.

- **CSREES Initiative for Future Agriculture and Food Systems (IFAS) Grant Program:** The Farm Efficiency and Profitability Program Component, targeted for small to mid-sized farms, funded 19 projects totaling \$18.8 million in FY 2000. The program in FY 2000 placed the most emphasis on marketing strategies, market development, and farm financial management—with half the funded projects in these areas. Multiple projects funded in FY 2000 addressed training of farmers in marketing (Minnesota, South Dakota, Texas, and Montana); expanding markets, particularly direct marketing (Maryland, Pennsylvania, California, New York, Washington, Oregon, Idaho, Tennessee, North Carolina, Georgia, and Kentucky); and farm financial management (Illinois, Arkansas, Wisconsin, and the Farm Service Agency of USDA).

Five projects were funded to focus on the “whole farm” approach to improved profitability, with particular emphasis on organic and sustainable farming systems. These programs included organic farming efforts in Maryland, Pennsylvania, New Jersey, Ohio, North Carolina, and Iowa. Targeted small farm initiatives were funded in Iowa, Nebraska, Wisconsin, and Mississippi. A unique and important effort was funded to develop and improve market agriculture in the U.S. Caribbean and Pacific Islands, involving land-grant institutions in those territories and the Agricultural Research Service of USDA.

Issues relating to improved production and marketing systems, and adding value to products, were addressed in two beef cattle projects (Indiana, Michigan, Ohio, Illinois, Kentucky, and Tennessee). Issues relating to the structure of agriculture were addressed in an innovative consortium of service providers that has been formed to assist beginning farmers in New England. In an attempt to retain an existing agricultural industry in the face of global competition, a project was funded to reduce labor requirements and increase profitability of chile pepper



In FY 2001, USDA funded fifteen proposals totaling \$19 million. The proposals were funded under the Farm Efficiency and Profitability component of the CSREES Initiative for Future Agriculture and Food Systems (IFAS) Grant Program, which are targeted for small to mid-sized farms.

production in the Southwest. In a similar manner, research and extension on the production of hybrid catfish in hillside ponds of the Southeast was funded to develop a new source of farm income.

Fifteen proposals totaling \$19 million were funded in the Farm Efficiency and Profitability component during the FY 2001 grant round. Funded projects include value-added horticultural products, season-extending high tunnels for the central Great Plains, tropical mariculture ventures in Hawaii, production systems to improve the profitability of small and economically disadvantaged livestock family farms, enhanced goat production systems for the Southern United States, and collaborative research and outreach for small farm enterprises and community development in the Black Belt South.

- **CSREES Community Food Projects Grants Program (CFPCGP):** The program is designed to provide grants on a competitive basis to support the development of Community Food Projects to: (1) meet the food needs of low-income people; (2) increase the self-reliance of communities in providing for their own food needs; and (3) promote comprehensive responses to local food, farm,



and nutrition issues. Community Food Projects are intended to take a comprehensive approach to developing long-term solutions that help to ensure food security in communities by linking the food production and processing sectors to community development, economic opportunity, and environmental enhancement.

Some examples of how small farms benefit from the CFPCGP are as follows:

- Small family pork producers in Missouri have increased their income and found new markets through a grant to the Missouri Rural Crisis Center.
- In Massachusetts, Cambodian immigrants have been funded to start farms to provide specialty crops to the local Cambodian community.
- The Tohono O'odum people in Arizona have been funded to re-establish flood based agricultural practices and to re-establish native crops to improve the diet of those native people.
- In California, Hispanic farm workers, turned farmers, received training and technical support on small farm production and management.

Many projects support community supported agriculture as a means to increase farm income and provide nutritious produce to communities. From 1996-2001, approximately \$13.5 million was distributed among 84 projects. These projects directly benefited small farmers.

- **Research Projects Supported by CSREES 1890 Institution Teaching and Research Capacity Grants**
Program Benefit Small Farmers: Small farmers benefit from outcomes of innovative teaching and research projects funded through CSREES' Capacity Building Grant Program, initiated in 1990 to build the institutional capacities of the 1890 Land-Grant Institutions and Tuskegee University. Funded projects involve 1890 scientists, faculty, and Extension professionals working collaboratively in targeted need areas such as the following:

- Studies and experimentation conducted in plant and animal breeding programs to develop better crops or livestock;

- Centralized research support systems (e.g., computerized data banks on crop yields); and
- Technology delivery systems (e.g., computer-based decision support systems to assist small-scale farmers to take advantage of relevant technologies, programs, and policies).

Some examples of 1890 Capacity Grant projects funded during 2000-2001 which benefit small farmers include:

- An Internet literacy program to help small farm service providers and limited resource farmers learn marketing concepts through a grant to Lincoln University;
- A research program to benefit limited-resource farmers in the southeastern United States. This program helps limited-resource farmers by propagating and preserving unique pawpaw germ plasm that, in turn, provides crop diversity for this new commercial tree-fruit crop. It would be accomplished through a grant to Kentucky State University;
- A grant to Alcorn University to develop efficient marketing systems for new and highly promising alternative crops for small farmers in the southern region; and
- Researching optimal conditions for washing, sanitizing, and packaging produce to help small farmers in North Carolina add value to produce sold to school systems and local marketing outlets through a grant to North Carolina A&T University.

- **Information for Educators:** CSREES developed a two-page guide for educators, including sources of information on sustainable agriculture education, examples of projects that have developed course work, and funding sources. The guide, "Sustainable Agriculture Resources for University and College Educators," is available on the web on the education page of the Sustainable Agriculture Network (www.sare.org/htdocs/dev/asresources.html) and is publicized through the mail groups sanet-mg and SAEd-Share-L.



■ **CSREES *Small Farm Digest* Focuses on Marketing**

Articles: The USDA *Small Farm Digest* newsletter produced by CSREES continues to provide timely direct marketing and special topic issues to a diverse readership, including those who serve small farmers in international, Federal, State, and local programs, small farmers and ranchers, and others with a small farm interest.

To date, the *Digest* has addressed Internet marketing, value-added food products, marketing through farmer-owned cooperatives, new opportunities in the biobased economy, fruits and vegetables as a niche market for small farmers, forestland income opportunities, and diversifying farm and ranch revenue through agri-tourism.

- **CSREES Small Farm Program Web Site:** The CSREES web site provides helpful information for small farmers and specialists who work with the small farm community. The site gets 45 hits per day and received 57,000 hits during FY 2000. Information is intended to help small farmers increase the economic viability of their small farm operations. The web site includes: a Small Farm toll-free phone number (1-800- 583-3071), an electronic mailing group to exchange small farm related information, *Small Farm Digest* newsletter issues, a directory of State Small Farm Coordinators, Research and Education Recommendations for Small Farms, and small farm links.

Links include: USDA Small Farm Policy; the USDA Advisory Committee on Small Farms; the National Commission on Small Farms report, *A Time to Act*; *Small Farm Resource Guide*; funding opportunities, including farm loan programs; information about the Alternative Farming Systems' Information Center, Aquaculture Network Information Center, and Sustainable Agriculture Network; a Directory of State Contacts in Value-Added Agriculture; small farm success stories; 3rd National Small Farm Conference notice; upcoming events relating to small farms; and land-grant university maps.

- **USDA/CSREES SARE:** A majority of examples in USDA/SARE Program's new 2001 publication, *The New American Farmer*, show how American farmers and

ranchers with small or medium-sized operations are applying diverse approaches and innovations to increase farm profitability and enhance the quality of life, rural communities, their families, and the environment. Available free on the web at www.sare.org/newfarmer or for \$10 in hard copy by contacting the Sustainable Agriculture Network at 1-802-656-0484, or via e-mail at sanspubs@uvm.edu.

Economic Research Service (ERS)

The National Commission on Small Farms recommended that analyses be undertaken to identify production systems, marketing approaches, and financing decisions being used by successful farming operations. ERS has responded to the Commission's recommendations by developing projects in several areas that are directly applicable to recommendation 1.2, recommendation 5.7, recommendation 5.10, and recommendation 6.7.

Key projects focused on recommendation 1.2 include:

- **Research on Organic Agriculture:** ERS is completing a multi-institutional research project on the market for organic foods with the Universities of Arizona, Georgia, and Massachusetts. Project participants have developed an enhanced understanding of the size and structure of the U.S. organic foods market by focusing on five topic areas: U.S. acreage and production, domestic marketing chain and structure, certification and its impacts, consumer demand, and global market conditions. For example, research on U.S. production is focused on analyzing data from the Organic Farming Research Foundation's 1997 survey of organic farmers and other sources.

This information, coupled with other ERS research on certified organic acreage by State and commodity group, provides the most complete picture to date on the location of organic farms and commodities they produce. Since organic markets have multiple opportunities for participants with different-sized operations, research results may assist small-scale



organic producers in their marketing plans and provide information to other small-scale producers who are looking for additional marketing outlets.

In 2001, ERS developed a web site briefing room on organic farming that may be accessed at www.ers.usda.gov/briefing/Organic/ produced a report on the growth of certified organic farming in the 1990s (ERS Agricultural Information Bulletin No. 770, *U.S. Organic Farming Emerges in the 1990s: Adoption of Certified Systems*); and developed an article on organic wheat production in the United States. The article, *Organic Wheat Production in the United States: Expanding Markets and Supplies*, appears in an ERS publication entitled, *Wheat Situation and Outlook Yearbook* (page 32). These publications may be found on the ERS web site at: www.ers.usda.gov/publications/

ERS anticipates publishing another report from that project in 2002, and is also working on a new project to study the risk management strategies and needs in the organic farm sector. Some of the work will explicitly target organic market gardeners and other small farmers.



■ **Research on Contracting in Agriculture:** ERS has a program of research underway to assess the nature and scope of contracting (marketing and production contracts) in several areas of U.S. agriculture. ERS and the Farm Foundation sponsored a workshop on Contracting Practices in Agriculture on May 23-24, 2000. The workshop included academics and USDA program managers and focused on market power and efficiency in contracting practices in the livestock, field crop, and horticultural crop sectors. ERS researchers have published a series of articles on agricultural contracting in the ERS magazines *Agricultural Outlook*, *FoodReview*, and *Rural America*. Similar articles also have been published in longer agency reports (such as ERS Agricultural Economics Report No. 774, *Managing Risk in Farming: Concepts, Research, and Analysis*). In addition, work has begun on a comprehensive report aimed at summarizing our current knowledge on the economic issues surrounding agricultural contracts. This work should be completed in late 2002.

■ Another ERS project looks at business practices in fresh produce markets; preliminary results were published in Fall, 2000, and a larger study appeared in an ERS report in January, 2001 (ERS Agricultural Economics Report No. 795, *U.S. Fresh Fruit and Vegetable Marketing: Emerging Trade Practices, Trends, and Issues*). ERS continues to monitor use of contracts as a business arrangement through questions included in its annual Agricultural Resource Management Study. Results from farmers' responses to these surveys indicate that farmers of all sizes incorporate contracts into their farm plans. Surveys conducted in 2000 and 2001, as well as those to be conducted in 2002 all contain expanded sets of questions aimed at gaining information about pricing and incentive mechanisms in farmers' marketing and production contracts.

■ **Improving Agribusiness Education:** ERS is working cooperatively with Tennessee State University and Alabama A & M University to develop a model of university-government-industry partnership to improve agribusiness education. The project is designed to assist in developing/providing continuing education to operators



of small farms and agribusiness firms interested in understanding and operating in the supply-chain-based global food and agriculture product markets.

- **More Successful Farms:** ERS research to identify farm and farm operator characteristics that are associated with the likelihood of above average returns, defined by returns to equity and to the operator's labor and management, is continuing to evolve into a multifaceted area of emphasis for the agency. Cooperative research agreements were written with Tennessee State University, Iowa State University, and the University of California to characterize production and management systems of more successful small farms.

A specific objective of these agreements is to elicit responses from operators of small or moderate size farms about how they measure the success of their businesses. A second primary objective will be to determine if production practices and systems differ from farms of like size and commodity mix for the more successful farms. Results of this work will be used to underpin ERS efforts to write questions that can be incorporated into annual farm business surveys to develop a national perspective. ERS is also cooperating with analysts from Penn State University to analyze the nature and extent of women's economic contributions to farm operations in the United States, including their involvement in farm tasks, farm decisionmaking, farm organizations, and government agriculture programs.

ERS's Resource Economics Division (RED) has developed cross-branch priority projects to emphasize research conducted on small farms within the Division. One project, *Small Farm Success: Goals and Resource Endowment*, will explore the goals, motives, and natural resource base of small farm operators, with the ERS Typology used to assess differences among small farm groups. The project will also examine the economics of small farms and their implications for policy changes affecting natural resource and environmental policy goals. A second priority project, *Economic Implications of the Adoption of Bioengineered Crops*, will focus on issues surrounding the adoption of bioengineered crops.

The general objective of this research program is to address several of the economic dimensions about the adoption of bioengineered crops. Pertinent to ERS' small farm work will be research questions that address the farm-level effects of the adoption of bioengineered crops and what are the factors that have affected the adoption of bioengineered crops and how. The first research question will assess the impacts of genetically engineered crops adoption on yields, farm profits, pesticide use, and financial performance. The second question will examine the role of farm size in adoption.

- **Research to assess the impacts of production, marketing, and financing decisions of farm performance continues:** Two articles, "Factors Affecting the Profitability of Limited Resource and Other Small Farms" and "Factors Contributing to Earnings Success of Cash Grain Farms," appeared in the *Journal of Agricultural and Applied Economics*, and were summarized in an article, *What Makes a Small Farm Successful?* The article was published in *Agricultural Outlook*.

ERS also published its annual family farm report as *Structural and Financial Characteristics of U.S. Farms: 2001 Family Farm Report*. The report incorporates the ERS farm typology into its framework for analysis. Each of the report's nine major sections draws on the typology so that differences between small and large farms can be identified. Work has begun on the next release of the Family Farm Report, scheduled for late 2002.





Current ERS research on the topic examines the business linkages and arrangements of farms to determine if farms cluster into identifiable groups. It also examines farm performance and information management, managerial decisionmaking and its effect on farm financial performance, and the technical efficiency of family farms at the business and household level.

In addition, a current project takes a longitudinal perspective on farms, by examining the history of farms over the life cycle of the farm and the farm operator. The research will help us to understand the factors behind the continuation of small farms. That project uses a unique longitudinal file built by merging data for individual farms from five agricultural censuses (1978, 1982, 1987, 1992, 1997). An early paper from the project, “Farm Operations Facing Development: Results from the Census Longitudinal File,” examines how farmers may alter their operations in the face of expanded residential development.

- **Communicating the ERS Farm Typology:** ERS analysts were involved in several activities to communicate the Farm Typology for use in thinking about farm structure and how programs might be focused to recognize differences among farms and farm households. An article, *ERS Farm Typology: Classifying a Diverse Ag Sector*, was published in *Agricultural Outlook*. Results from the 2001 Family Farm Report, (described above) were summarized in a brochure, *America’s Family Farms: Assorted Sizes, Types, and Situations* (ERS Agricultural Information Bulletin No. 769).

A short article, *A New Typology For a Diverse Ag Sector*, appeared in *Choices*. A paper about small farms (based on the typology) was presented at the National Public Policy Education Conference, sponsored by the National Public Policy Education Committee in Cooperation with the Farm Foundation and State Extension Services. Finally, ERS participated in the ARS National Outreach Workshop to help that agency devise ways to orient research to help small farms, particularly small farms operated by minorities.

ERS personnel also presented analyses at regional outreach workshops:

- Entrepreneurial agriculture sponsored by CSREES in Texas
- Extension education held by the Southern Extension Educators
- Ways to serve small farmers held by the North Central Region Small Farm Task Force

Regional analysis is necessary, because farms differ across geographic areas and national analysis does not meet the need of specific regions.

Work focused on *A Time to Act*, Recommendation 5.7:

Conduct a Review of Current Tax Code and its Effects

on Entry and Exit: A study initiated by the National Commission on Small Farms, *Effects of Federal Tax Policy on Agriculture* (ERS Agricultural Economics Report No. 800) was released in April 2001. The study applies the ERS farm typology to tax data. Investment, management, and production decisions in agriculture continue to be influenced by Federal tax laws, although this influence may be less than in earlier decades. The report also evaluates tax proposals to assist beginning farmers.

National Agricultural Statistics Service (NASS)

- NASS serves the basic agricultural and rural data needs of people in the United States, by objectively providing timely, accurate and useful statistical information to U.S. agriculture. The agency administers USDA’s program of collecting and publishing current national, State, and county agricultural statistics. In addition to the annual statistics program, NASS began conducting the Census of Agriculture, previously conducted by the Bureau of the Census, Department of Commerce, in FY 1997. The census of agriculture, conducted every 5 years, provides comprehensive, local-level data on agricultural commodities across America. This invaluable information

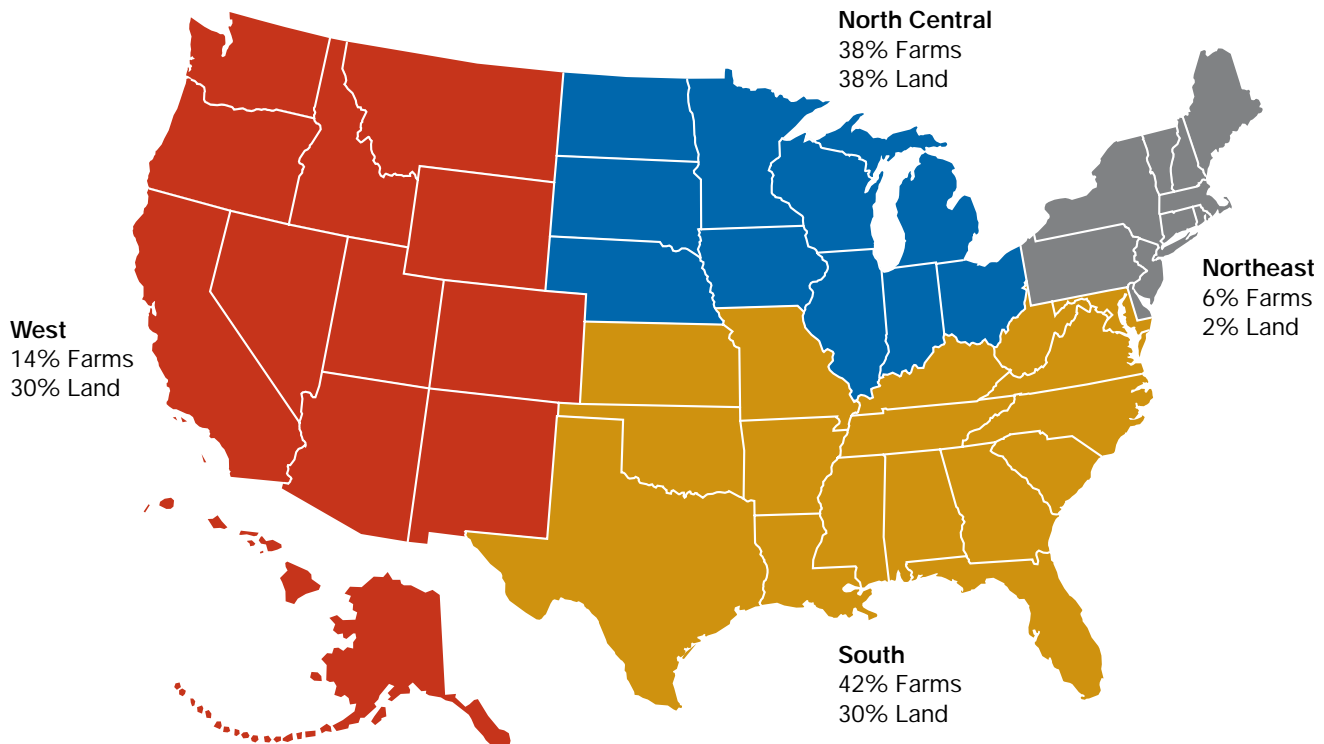


is available to both the public and private sector, including small farmers, ranchers, and the underserved.

NASS's 2002 Agricultural Statistics Board Calendar lists all the reports' release dates. The reports are available on the NASS web site at: www.usda.gov/nass/, or the NASS toll-free hotline at 1-800-727-9540. The 1997 Census of Agriculture was released on the Internet on February 1, 1999 and hard copies of the United States Summary and State Data tables were issued in March 1999. In response to the need for more detailed information on certain sectors of the farm and ranch industry, NASS has conducted three special studies to supplement the census data. These include the 1998 Farm and Ranch Irrigation Survey, the 1998 Census of Horticultural Specialties, and the first ever Census of Aquaculture, which was also conducted in 1998 and issued in February 2000. Results from the 1999 Agricultural Economic and Land Ownership Survey, released in August 2001, provided the first in-depth look at land ownership since 1987.

- NASS staff members assisted the National Office of Outreach in efforts to gain approval for the Minority Farm Register, which was specified in the Civil Rights Action Team (CRAT) report, published in February 1997. Specifically, NASS provided assistance with the Privacy Act approval process and in preparing the Information Collection Approval package submitted to the Office of Management and Budget. The Minority Farm Register will provide an additional tool to help USDA improve its Outreach and Technical Assistance Program for Socially Disadvantaged and Minority Farmers.
- NASS and the Economic Research Service (ERS) staff completed review of the Agricultural Resources Management Study (ARMS) specifications and questionnaire content for the 2000 ARMS III survey. This survey is conducted in cooperation with ERS and focuses on identification of in-business farm operations, multiple operating arrangements, and operations with targeted commodities, chemical use, and farm finances. The

Distribution of Farms and Land in Farms By Region, 2001





Secretary's report to Congress on the status of the family farm for 1998 was based primarily on information from ARMS.

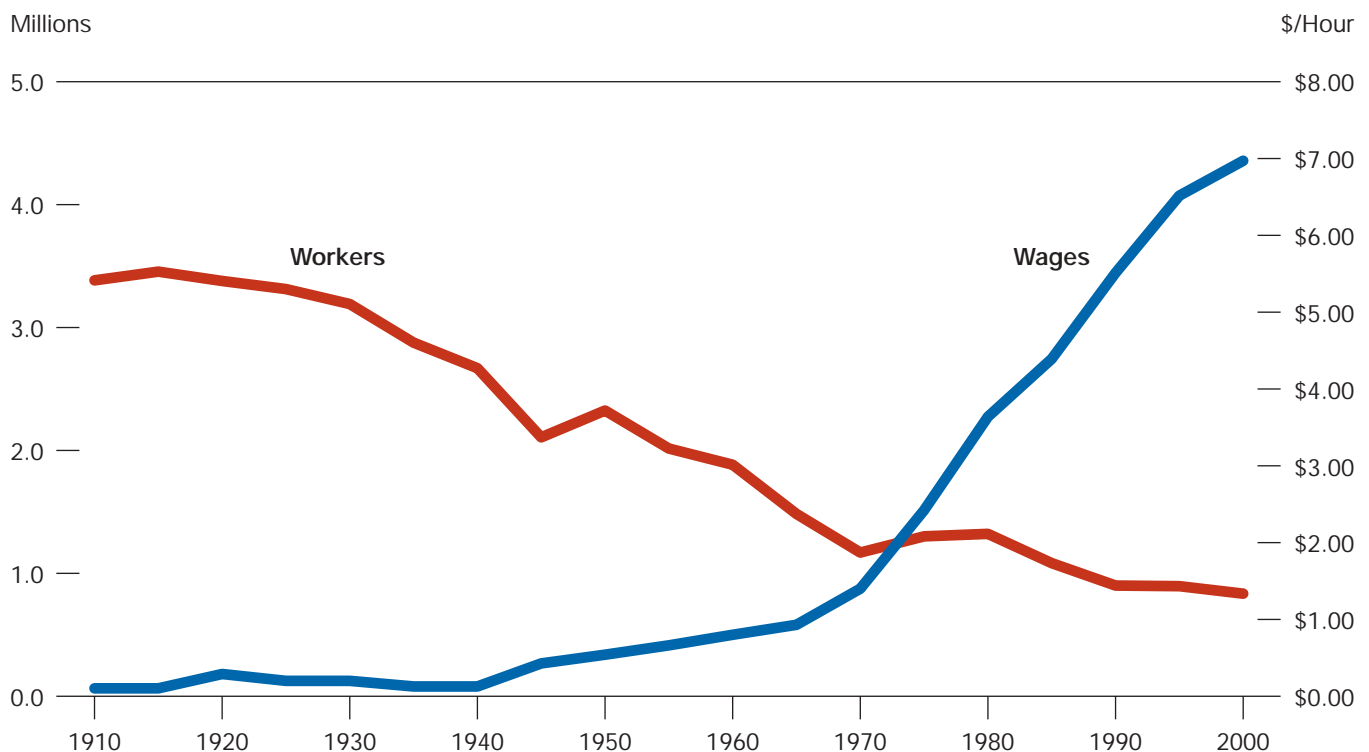
The ARMS results are included in the ERS report: *Structural and Financial Characteristics of U.S. Farms: 2001 Family Farm Report*. This report was released by ERS in May 2001. In September 2000, the NASS staff gave an overview of the USDA farm labor program to a group of international visitors at the Bureau of Labor Statistics (BLS). Periodically, NASS explains how the USDA accounts for the agricultural work force. BLS is responsible for all sectors except agriculture. NASS State Statistician of the Kentucky State Statistical Office attended a monthly meeting of the Kentucky Farm Labor Task Force to discuss pending legislation that addresses a new amnesty provision for migrant workers. The group's comments were then given to Commissioner Billy Ray

Smith for use at the National Association of States Departments of Agriculture meeting in Ohio in September 2000.

The State Statistician of the Minnesota State Statistical Office provided Representative Finseth, Chairman of the Minnesota House Agriculture Committee, data pertaining to the increasing number of Minnesota farms in the less than \$10,000 sales category for 1999.

State Statisticians of Idaho, Oregon, and Washington attended an Intertribal Agricultural Council-USDA Western Regional Informational Exchange in Oregon in September 2000. USDA's Risk Management Agency's Northwest Regional Office sponsored the forum. Representatives of 20 tribes spoke on USDA's Outreach efforts and program delivery and suggestions for improvement.

U.S. Hired Farm Workers & Wage Rates, 1910-2000





Natural Resources Conservation Service (NRCS)

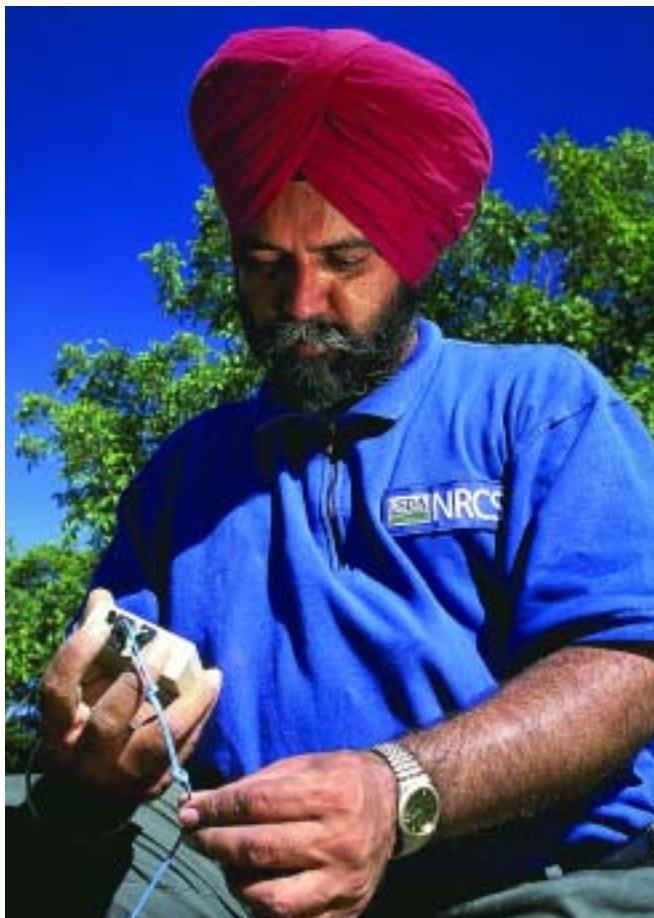
- **Kentucky:** Equipment was purchased for use in Wayne County to introduce improved production practices for small vegetable producers. This equipment is still operational and continues to be used throughout the county. A second part of the project was to design and develop erosion plots on a highly erodible site on the Kentucky State University Land Grant Program (KSULGP) farm to measure the erosion and run-off associated with different vegetable cropping and mulching systems raised on erodible lands.

This location has served as the site of several water quality research initiatives and projects as well as educational tour stops for field days. Numerous cropping systems and vegetable species/variety trials have been conducted on this site.



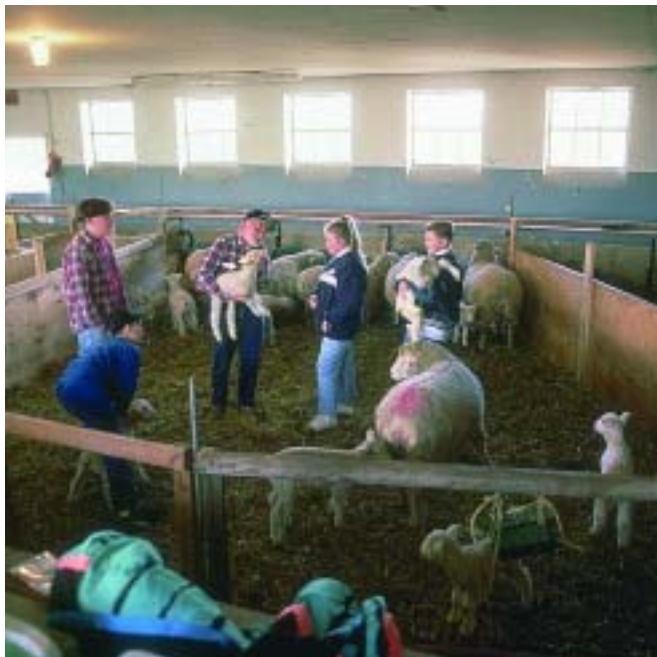
Information generated has resulted in refereed research journal articles and informational handouts. The erosion plots have become an integral part of KSULGP's water quality research efforts, measuring not only soil run-off, but pesticide and chemical run-off as well. The plots will provide the test site for a new USDA Capacity Building Grant initiative, which addresses the development of a botanical insecticide as a substitute for synthetic pesticides.

The site will allow the monitoring of the field-applied botanical insecticide. The site may also provide the initial site for growing the plant species from which the botanical insecticides will be extracted; thus the plant species can be monitored as a potential crop for limited-resource farmers as well as for its insecticide properties.





VIII. Beginning Farmers



USDA continues its efforts to encourage and provide support to the next generation of farmers in America.

Commission Recommendations: The Commission's recommendations highlighted the critical need for public investment to support and facilitate the entry of the next generation into farming. This includes maximizing existing targets of credit assistance for beginning farmers, investigating strategies to facilitate intergenerational farmland transfers, and launching a department-wide initiative to focus research, extension, marketing, and credit assistance appropriate to the needs of new farmers and ranchers.

The Commission also recommended that USDA offer grants to beginning farmers as an alternative to operating loans, which are given at a subsidized interest rate.

AGENCY HIGHLIGHTS

Cooperative State Research Education and Extension Service (CSREES)

- **Grant Helps Beginning Farmers in the Northeast:** CSREES awarded The New England Small Farm Institute \$1.7 million in 2000 for the "Growing New Farmers: A Northeast Service Providers Consortium" project under the Initiative for Future Agriculture and Food System competitive grant program. The project will address critical barriers facing new farmers.
- **CSREES Grant Helps Fund Research About Retirement and Succession Planning for Farm Families:** In 2000, USDA-CSREES and the National Endowment for Financial Education funded research by Dr. Sharon DeVaney, Purdue University, on "Retirement and Succession Planning for Farm Families." Additional USDA-CSREES funding in 2001 supports the development of a related educational tool for farm families, which became available in early 2002. CSREES has also contributed funding and provided leadership for a "Financial Security in Later Life Conference" to be held March 20-22, 2002 in Myrtle Beach, South Carolina. The conference, targeted to State teams of Extension educators and small farm experts, focused on helping American families, including farm families, prepare for retirement.



Farm Service Agency (FSA)

- **Advisory Committee on Beginning Farmers and Ranchers.** The Advisory Committee on Beginning Farmers and Ranchers was formally established by USDA regulation on November 25, 1998. The Committee is comprised of 19 members representing the following groups: (1) Farm Service Agency (FSA); (2) State beginning farmer programs; (3) commercial lenders; (4) private nonprofit organizations with active beginning farmer programs; (5) the Cooperative State Research, Education, and Extension Service; (6) educational institutions with demonstrated experience in training beginning farmers or ranchers; (7) other entities providing lending or technical assistance for qualified beginning farmers or ranchers; and (8) farmers and ranchers.

The statute requires representatives from the first seven groups to be included on the Committee. The Committee has met twice and issued numerous recommendations to the Secretary. FSA is the Agency designated to provide support to the Committee.

- **Loans to Beginning Farmers and Ranchers.** In FY 2000, FSA provided 8,109 beginning farmers and ranchers direct and guaranteed loan assistance totaling \$716 million. In FY 2001, FSA provided 8,003 beginning farmers and ranchers direct and guaranteed loan assistance totaling \$707 million.



Natural Resources Conservation Service (NRCS)

NEW HAMPSHIRE

- New Hampshire NRCS and partners have been assisting small farms around the State. NRCS provided ongoing services that promoted new small farms and helped historically underserved farmers. The following is an example of projects that demonstrate New Hampshire's commitment to beginning farmers.
- *Beginner Farmers of New Hampshire* is an effort supported by the New Hampshire Resource Conservation and Development Councils to address the specific needs of individuals wishing to get into farming. In central New Hampshire a handful of inexperienced, but very determined, new farmers began meeting together 3 years ago. There are now four county chapters around the State that provide the following benefits: 1) organize networks for small and beginning farmers; 2) buy grain and supplies as a group to achieve bulk buying discounts; 3) organize speakers, training workshops, and farm tours; 4) help develop local markets for their farm products; 5) develop relationships with local, county, and State



agricultural agencies to meet the unique needs of beginner farmers; and 6) realize potential funding and assistance sources available for farmers, such as SARE farmer grants.

- The *Beginner Farmers of New Hampshire* project has developed a web site and presented displays at various conferences in its continued effort to reach and educate beginner and underserved farmers. *Beginner Farmers of New Hampshire* was selected as one of the top three success stories of all RC&D success stories submitted nationwide. The project has been involved in the New Hampshire Coalition for Sustaining Agriculture, established a Beginner Farmer Advisory Committee, and has been active in the local Conservation Districts.

Another recent accomplishment for the *Beginner Farmers of New Hampshire* is a community garden and composting project in cooperation with the Belknap County Conservation District, located in south-central New Hampshire. This community garden has helped provide food to low income residents and food pantries, and has been a valuable outreach tool for the District-RC&D-NRCS partnership.

UTAH

- In the Heber Valley in Utah, there are several ranches that have been purchased by persons who have not farmed before. NRCS-Utah has an information conservation campaign for those landowners to raise their awareness of conservation practices leading to improved water quality and reduced soil erosion.



Beginning ranchers with llama.



IX. Farm Workers



Migrant workers are key to America's food and agriculture labor force.

Commission Recommendations: The Commission's report noted that if independent, family-sized farmers are to be able to pay themselves a middle-class income for their labor, they cannot compete fairly with large farms that rely on hired farm workers at government-sanctioned low wage levels. The Commission States that farm workers should be treated fairly and should be provided just compensation for their labor and the same protections afforded all working people under existing labor laws and regulations.

Recommendations of the Commission reinforced many of those put forward by USDA's 1997 Civil Rights Action Team report. The Commission suggested a Federal task force to examine existing laws and enforcement of regulations affecting farm workers.

The Commission also called for increased funding for farm workers' housing and greater effort on outreach.

AGENCY HIGHLIGHTS

USDA National Office of Outreach

- In FY 1999, USDA's National Office of Outreach initiated a number of collaborative efforts to address farm worker, especially migrant farm worker, issues.
- In FY 2000, OR efforts included:
 - Working with USDA's Rural Development mission area to identify a grantee to receive the \$5 million appropriated to assist farm workers who have been affected by natural disasters;
 - Assisting in FY 2001 budget requests resulting in CSREES receiving \$500,000 to assist the children of farm workers (citizens and noncitizens) through their farm safety programs; and
 - Organizing and hosting two meetings at USDA for the Interagency Migrant Counsel. This included arranging for the USDA's Deputy Secretary to welcome the group at the first meeting and for the Assistant Secretary to provide the welcome for the second meeting.



- In FY 2001, USDA's Office of Civil Rights assisted CSREES in a \$3 million grant program titled "Rural Communities in Transition." The program's emphasis was to assist those rural communities with new farm workers and immigrant populations.

A representative from the Office of Civil Rights was the keynote speaker at the National Association of Large Animal Veterinarians National Conference and the National Conference on Agriculture Employer and Employees.

- The OR web site has incorporated the major farm worker web site that identifies the National and State programs and staff. An electronic system has been created by the Farm Worker Coordinator to keep both employers and employees informed of relevant programs or policies.

The Farm Worker Coordinator conducted a one-day working group with NASS. This working group consisted of University faculty with outreach and research expertise in rural areas. Their focus was farm workers who were purchasing farms and planning to become today's new small farmers.



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X. Civil Rights



USDA conducts listening sessions throughout the country to meet with small, limited-resource, and minority farmers to ensure that all Department policies and practices have no adverse impact on them.

Commission Recommendations: The Commission gave a strong endorsement for the recommendation for the USDA Civil Rights Action Team (CRAT) report, emphasizing swift action to settle outstanding discrimination cases brought forward by farmers and USDA employees and to put in place effective civil rights enforcement and monitoring procedures.

AGENCY HIGHLIGHTS

USDA Office of Civil Rights (CR)

Secretary Ann M. Veneman's civil rights policy statement states her firm commitment to ensuring USDA's compliance with civil rights and equal employment opportunity for everyone regardless of race, color, national origin, gender, religion, age, disability, sexual orientation, marital or family status, political beliefs, parental status, or protected genetic information.

USDA is establishing the Office of the Assistant Secretary for Civil Rights as part of the Farm Security and Rural Investment Act of 2002. Under the new farm bill, the new office will ensure compliance with all civil rights and related laws by all agencies and under all programs of the Department, coordinate administration of civil rights laws and regulations for employees and participants of USDA programs, and ensure that necessary and appropriate civil rights components are properly incorporated into all strategic planning initiatives within the Department.

The Office of Civil Rights (CR) will be part of the new Office of the Assistant Secretary for Civil Rights. In accordance with the Secretary's civil rights statement, CR ensures that all USDA policies and practices have no disparate impact on small, limited-resource, and minority farmers. A civil rights impact analysis must be conducted on all new USDA policies and regulations and approved by CR prior to implementation. New procedures for processing program complaints of discrimination have been developed. The complainant will be informed of the jurisdictional determination and any additional information that the complainant must submit will be requested before obtaining the agency response.



- CR developed a plan for effecting long-term improvement of its Programs and Employment functions. The objective of the plan was to determine actions, changes and resources necessary to fundamentally improve operations in CR so that employment and program complaints of discrimination will be processed in a consistent, effective, and timely way. This plan resulted in a comprehensive analysis of CR systems, processes, procedures, staffing needs, level of knowledge, skills and abilities, automation needs, and administrative support. The full implementation of the long-term improvement plan will enable CR to process complaints within the statutory required timeframe. CR has processed all of the 1,088 backlogged program complaints that were identified by CR and verified in the Office of Inspector General's 1998 Evaluation Report.
- **Update on Status of CRAT Recommendations:** CR's role is to monitor USDA Agencies' implementation of the CRAT recommendations. As of September 2001, there were three remaining recommendations to be implemented that do not require legislative action. Of the 17 recommendations requiring some form of legislative action, 5 had been implemented. Eighty-eight recommendations had been fully implemented or steps taken to implement them.

As of November 2002, there were 22,829 claims reviewed under the *Pigford v. Glickman* Consent Decree. Of those, 21,583 Track A claims and 181 Track B claims were accepted for processing. The remaining 1,065 claims were rejected based on a determination that the claimant was not a member of the class. A court appointed monitor manages the Consent Decree. The monitor makes periodic progress reports to the Court.

To ensure that program managers and supervisors appreciate the needs of minority small farmers, USDA managers and supervisors were required to attend a mandatory one-day diversity-training seminar. The objective of this training was to enhance the ability of managers and supervisors to understand diversity, to better manage diversity, and to identify how diversity relates to making USDA a high-performance agency.

- Compliance reviews are conducted to ensure that USDA agencies provide services in accordance with all civil rights laws, rules, and regulations. CR will be coordinating with USDA Agencies to ensure that compliance reviews are conducted pursuant to USDA policy and guidelines. USDA Agencies are required to review 20 percent of all USDA programs annually.





XI. Additional Small Farms Initiatives



USDA Cooperative State Research, Education, and Extension (CSREES), which administers the Sustainable Agriculture Research and Education (SARE) Program, continues to have small farmers and limited-resource producers as one of its targeted funding priorities.

AGENCY HIGHLIGHTS

Cooperative State Research, Education, and Extension Service (CSREES)

- **CSREES Small Farm Digest:** In response to the National Commission on Small Farms recommendation that USDA and land-grant universities should examine the social, psychological, and emotional issues which contribute toward farm-related stress in families operating farms, the fall 2000 issue of the CSREES *Small Farm Digest* covered “Managing Farm Stress During Crisis Times.” This issue was posted in its entirety on the CSREES Helping Rural America Face Crisis web site and on the CSREES Small Farm Program web site at www.reeusda.gov/smallfarm/.
- **CSREES Small Farm Program Exhibit Emphasizes Diversity of Farming Community:** The CSREES Small Farm exhibit features farmers and ranchers of different ages from across various regions of America to portray the broad diversity of people who make up small farm and ranch communities. These include male and female farmers and ranchers who are African-American, Hispanic, Asian-Pacific, and Native American.
- **CSREES Small Farm Program Newsletter Subscriber Mailing List Builds Diversity:** Built into the 22,000 subscriber database for CSREES *Small Farm Digest* newsletter is the Tribal Leader list, HACU (Hispanic Association of Colleges and Universities) institutions, 1890 historically African-American land-grant universities and colleges, 1994 tribal colleges, and diverse readers. Some of these readers include Congressional members; individual African-American, Native American, Asian-Pacific, Hispanic, European, Mennonite, Amish, physically-challenged, male and female farmers and ranchers; those who serve farmers



and ranchers at the Federal, State, and local levels; and others. With every outreach conference attended by CSREES staff, more subscriber names are added to the database from conference participants who visit the CSREES Small Farm Program exhibit and sign up to receive the newsletter.

- **CSREES Is Building Regional Partnerships To Better Serve Small Farmers:** The North Central Region Small Farm Workshop—“Small Farms: A Renewed Opportunity”—was held at the University of Illinois-Springfield during March 2001. The 144 participants included Cooperative Extension field staff and representatives from Federal and State agencies, farmers, and nonprofit organizations. They met to learn more about issues facing small farm operators in the North Central Region, small farm demographic characteristics, and the economic impact of successful small farms. Participants developed coordinated action plans at the conference to partner more fully to support small farmer efforts in the North Central Region.
- **CSREES/SARE Grant Program Targets Small Farmers and Limited-Resource Producers:** USDA/CSREES Sustainable Agriculture Research and Education (SARE) Program continues to have small farmers and limited-resource producers as one of its targeted funding priorities. All four SARE regions are funding a large proportion of projects that benefit small farmers. One example benefiting the Northeast Region was a grant that enabled Cornell University to work in partnership with the New England Small Farm Institute on a major professional development project for small farm experts. A first workshop in this multi-year project, held February 2001, brought together teams of small farmers, sustainable agriculture experts, and key government agencies like NRCS on sustainable agriculture issues. These teams went back to their States to implement sustainable agriculture practices for small farms.

Natural Resources Conservation Service (NRCS)

NEBRASKA

- NRCS has been working with the Winnebago Tribe of Nebraska to provide technical assistance on two projects. One initiative is a hydroponic tomato project. The second is an aquaculture project to develop commercial production and marketing opportunities. A joint project involving one field office and a RC&D Office sponsored a “Women in Agriculture” conference. Seventy-five women representing lending institutions, farmers, ranchers, and government agencies from three States—Nebraska, Wyoming, and Colorado—attended an all day conference. Topics included: How to work with agriculture lenders, stress management, marketing basics, and backyard conservation.



Rural Development/Rural Business-Cooperative Service (RBS)

- During both FY 1999 and 2000, the Administrator's priority goals included small farm and minority operators. End-of-fiscal-year State Office evaluations measured this effort, and 34 of 47 State offices met or exceeded these goals.
- A new quarterly project funding report tracks small farm, minority, and beginning farmer technical assistance and funded projects (see Figure 2 below).

Figure 2

Rural Business Cooperative Service Support for Small, Minority and Beginning Farms

	FY 1999	FY 2000
■ Business Programs	\$22,169,050	\$37,940,787
■ Business and Industry Direct Loans (B&I-Direct)	\$74,000 [in 1 state]	— — —
■ Business and Industry Guarantee Loans (B&I-Guarantee)	\$19,682,427 [in 5 states]	\$77,621,371 [in 14 States]
■ Intermediary Relending Program (IRP)	\$1,819,000 [in 2 states]	\$504,476 [in 1 State]
■ Rural Business Enterprise Grants (RBEG)	\$593,623 [in 7 states]	\$2,376,190 [in 19 States]
■ Rural Business Opportunity Grants (RBOG)	[N/A]	\$43,050 [in 4 States]
■ Rural Economic Development Loan and Grants	— — —	\$1,550,000 [in 4 States]
■ Cooperative Service Programs	\$1,206,776	\$1,905,350
■ Rural Cooperative Development Grant (RCDG)	\$674,000 [4 of 10 grants]	\$1,905,350 [16 of 21 grants]
■ Two special grants focused entirely on small farm cooperatives	\$349,000	— — —
■ Rural Cooperative Opportunities and Problems (RCOP) projects	\$183,776 [2 of 15 grants]	— — —



XII. Appendix 1—USDA Mission Areas

Mission Areas

Mission Statements

1. Farm and Foreign Agricultural Services (FFAS)

The FFAS mission area “helps keep America’s farmers and ranchers in business as they face the uncertainties of weather and markets. They deliver commodity, credit, conservation, disaster, and emergency assistance programs that help improve the stability and strength of the agricultural economy and that encourage the expansion of export markets for U.S. agriculture.” FFAS is comprised of the Farm Service Agency, the Foreign Agricultural Service, and the Risk Management Agency.

For more information about this USDA mission area, visit the FFAS web site at: www.usda.gov/mission/ffas.htm.

2. Food, Nutrition and Consumer Services (FNCS)

The goal of the FNCS mission area is to “Ensure access to nutritious, healthful diets for all Americans. Through food assistance and nutrition education for consumers, FNCS encourages consumers to make healthful food choices. Today, rather than simply providing food, FNCS works to empower consumers with knowledge of the link between diet and health, providing dietary guidance based on research.” FNCS is comprised of the Food and Nutrition Service and the Center for Nutrition Policy and Promotion.

For more information about this USDA mission area, please visit the FNCS web site at: www.fns.usda.gov/fncs/.

3. Food Safety

The Food Safety and Inspection Service (FSIS), a public health regulatory agency of the U.S. Department of Agriculture, “protects consumers by ensuring that meat, poultry, and egg products are safe, wholesome, and accurately labeled.” FSIS also protects the public health by regulating meat, poultry, and egg products, which account for a third of consumer spending for food, with an annual retail value of \$120 billion.

For more information about this USDA mission area, please visit the FSIS web site at: www.fsis.usda.gov/OA/programs/whatdoes.htm/.

4. Marketing and Regulatory Programs (MRP)

MRP facilitates the domestic and international marketing of U.S. agricultural products and ensures the health and care of animals and plants while improving competitiveness and the economy for the overall benefit of both consumers and American agriculture. MRP is comprised of the Agriculture Marketing Service; Animal and Plant Health Inspection Service; and the Grain Inspection, Packers, and Stockyards Administration.

For information about this USDA mission area, please visit the MRP web site at: www.usda.gov/mrp/.



**5. Natural Resources
and Environment
(NRE)**

The goal of the NRE mission area is to “ensure the health of the land through sustainable management. To achieve this goal, NRE agencies work to: prevent damage to natural resources and the environment; restore the resource base and environment to a healthy and sustainable condition where it is impaired; and promote good land management to conserve resource health and ensure the maximum return from investment in conservation.” NRE is comprised of the Forest Service and the Natural Resources Conservation Service.

For more information about this USDA mission area, please visit the NRE web site at: www.usda.gov/mission/nre.htm.

**6. Research, Education
and Economics
(REE)**

REE is comprised of the Agricultural Research Service; the Economic Research Service; Cooperative State Research, Education, and Extension Service; and the National Agriculture Statistical Service.

For information about this USDA mission area, please visit the REE web site at: www.reeusda.gov/ree/programinfo.htm

**7. Rural Development
(RD)**

The goal of the RD mission area is to “Enhance the ability of rural communities to develop, to grow, and to improve their quality of life by targeting financial and technical resources in areas of greatest need through activities of greatest potential.” RD is comprised of the Rural Business-Cooperative Service, Office of Community Development, Rural Housing Service, and Rural Utilities Service.

For more information about this USDA mission area, please visit the RD web site at: www.rurdev.usda.gov/.



XII. Appendix 2—Acronyms/Abbreviations

Table 1: USDA Mission Areas/Agencies

AMS	Agricultural Marketing Service	FS	Forest Service
APHIS	Animal and Plant Health Inspection Service	FSA	Farm Service Agency
ARS	Agricultural Research Service	FSIS	Food Safety and Inspection Service
CNPP	Center for Nutrition Policy and Promotion	GIPSA	Grain Inspection, Packers and Stockyards Administration
CR	Office of Civil Rights	MRP	Marketing and Regulatory Programs
CSREES	Cooperative State Research, Education and Extension Service	NASS	National Agricultural Statistics Service
ERS	Economic Research Service	NRCS	Natural Resources Conservation Service
ERS/RED	Resource Economic Division	NRE	Natural Resources and Environment
FAC	Food and Agriculture Council	OBPA	Office of Budget and Program Analysis
FAS	Foreign Agricultural Service	RBS	Rural Business –Cooperative Service
FFAS	Farm and Foreign Agricultural Service	RD	Rural Development
FMHA	Farmers Home Administration	SARE	Sustainable Agriculture Research and Education
FNCS	Food, Nutrition, and Consumer Services	USDA	United States Department of Agriculture
FNS	Food and Nutrition Service		

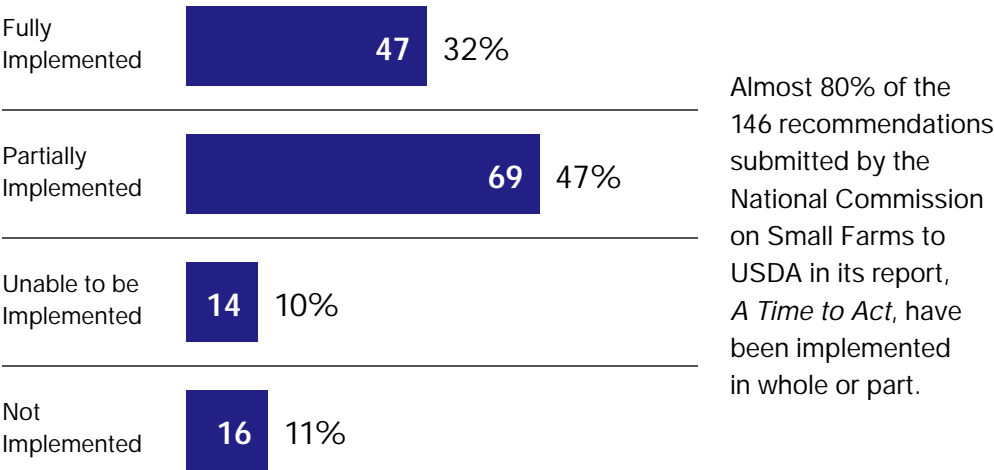
**Table 2: Related Acronyms /Abbreviations**

AAFFI	African American Family Farms, Inc.	IRS	Internal Revenue Service
AGR	Adjusted Gross Revenue	KSULGP	Kentucky State University Land Grant Program
AIHEC	American Indian Higher Education Consortium	MCBDP	Minority Community Business Development Partnership
ARPA	Agricultural Risk Protection Act	MDA	Maryland Department of Agriculture
ATTRA	Appropriate Technology Transfer for Rural Areas	MOU	Memorandum of Understanding
B&I	Business and Industry	NAFMNP	National Association of Farmers' Market Nutrition Programs
BLS	Bureau of Labor Statistics	NAFTA	North American Free Trade Agreement
BMP	Best Management Practices	NAP	Non-insured crop disaster assistance program
CED	County Executive Director	NCI	National Cancer Institute
CF	Cooperative Forestry Programs	NCRCD	North Central Regional Center for Rural Development
CFPCGP	Community Food Projects Grants	NCSL	National Conference of State Legislatures
CRAT	Civil Rights Action Team	NECFE	Northeast Center for Food Entrepreneurship
CRC	Crop Revenue Coverage	NNPFL	National Network of Private Forest Landowners
CREP	Conservation Reserve Enhancement Program	NREDA	National Rural Electric Development Association
CRP	Conservation Reserve Program	NTDA	National Tribal Development Association
DOPP	Dairy Option Pilot Program	P&S Act	Packers and Stockyards Act
EQIP	Environmental Quality Incentives Program	PNTR	Permanent Normal Trade Relations
EC	Enterprise Communities	PNVGA	Pacific Northwest Vegetable Growers Association
EZ	Empowerment Zones	PRP	Pasture Recovery Program
FAC	Federal Agriculture Council	RBEG	Rural Business Enterprise Grant
FAC	Food and Agricultural Council	RC&D	Resource Conservation and Development
FAIR	Federal Agriculture Improvement and Reform Act	RME	Risk Management Education
FCS	Farm Credit System	SED	State Executive Director
FICA	Federal Insurance Compensation Act	SFAC	Small Farms Advisory Council
FIP	Forestry Incentives Program	SWCD	Soil and Water Conservation District
FMNP	Farmers Market Nutrition Program	TAG	Team Agriculture Georgia
FSMIP	Federal State Marketing Improvement Program	WAgN	Women's Agricultural Network
FTCC	Fond du Lac Community College	WHIP	Wildlife Habitat Incentives Program
GLCI	Grazing Lands Conservation Initiative	WORC	Western Organization of Resource Councils
IAC	Intertribal Agricultural Council	WRP	Wetlands Reserve Program
ICM	Integrated Crop Management		
IFAS Grants	Initiative for Future Agriculture and Food Systems		
IRP	Intermediary Relending Program		



XII. Appendix 3—Figure 1: Bar Chart

Figure 1
Commission Recommendations Implemented by USDA



Status Code Table

Code	Status Category	Definition
1	Fully Implemented	The Commission’s recommendation was fully implemented by Departmental policy, program action, legislative action, or with approved budgetary funding by Congress.
2	Partially Implemented	The Commission’s recommendation was accepted by USDA or the U.S. Congress in whole or in part and the designated Mission Area/Agency is proceeding to implement the remainder of the action plan developed for the applicable recommendation.
3	Unable to be Implemented	The Commission’s recommendation was accepted by USDA in whole or in part, but it cannot or could not be implemented without legislative action or Congressional approval of budgetary funding requests.
4	Not Implemented	The Commission’s recommendation was considered by USDA, but was not accepted or it was contingent upon the completion of another event.



XII. Appendix 4—USDA Web Sites by Mission Area

1. Farm & Foreign Agricultural Service	www.usda.gov/mission/ffas.htm
■ Farm Service Agency (FSA) Home	www.fsa.usda.gov/pas/default.asp
● Farm Loans	www.fsa.usda.gov/dafl/default.htm
● Crop and Natural Disaster Assistance	www.fsa.usda.gov/pas/disaster/assistance1.htm
● Conservation Reserve Programs	www.fsa.usda.gov/dafp/cepd/crpinfo.htm
■ Foreign Agricultural Service (FSA) Home	www.fas.usda.gov/
● International Food Aid	www.fas.usda.gov/excredits/pl480/FOOD-AID.HTML
● Exporter Assistance	www.fas.usda.gov/agexport/exporter.html
■ Risk Management Agency (RMA) Home	www.rma.usda.gov/
● Crop Insurance	www.rma.usda.gov/policies/
2. Food Nutrition & Consumer Service	www.fns.usda.gov/fncs/
■ Food & Nutrition Service Home	www.fns.usda.gov/fns/
● Food Stamp Program	www.fns.usda.gov/fsp/
● Food Distribution Programs	www.fns.usda.gov/fdd/
● Child Nutrition Programs	www.fns.usda.gov/cnd/
● Community Food Security	www.fns.usda.gov/fsec/
● Women, Infants & Children (WIC) Farmers' Nutrition Market Program	www.fns.usda.gov/wic/FMNP/farmersmarketsmenu.htm
● Seniors Farmers' Market Nutrition Program	www.fns.usda.gov/wic/SeniorsFMNP/SFMNPmenu.htm
● WIC Farmers' Market Nutrition Program	www.fns.usda.gov/wic/FMNP/FMNPfaqs.htm
3. Food Safety	www.fsis.usda.gov/oa/programs/whatdoes.htm
■ Food Safety & Inspection Service (FSIS)	www.fsis.usda.gov/index.htm
■ Meat and Poultry Recalls	www.fsis.usda.gov/OA/recalls/rec_intr.htm
■ Consumer Education & Consumer Info.	www.fsis.usda.gov/OA/consedu.htm
4. Natural Resources & Environment	www.usda.gov/mission/nre.htm
■ Forest Service (FS)	www.fs.fed.us/
● National Forest System	www.fs.fed.us/links/forests.html
● Forest Fires & Aviation	www.fs.fed.us/fire/reports.shtml
● National Forest Timber Harvest	www.fs.fed.us/land/fm/salefact/salefact.htm
● National Resources Inventory	www.nrcs.usda.gov/technical/NRI/
■ Natural Resources Conservation Service (NRCS) Home	www.nrcs.usda.gov/
● Backyard Conservation	www.nhq.nrcs.usda.gov/CCS/Backyard.html
● Animal Feeding Operations	www.nrcs.usda.gov/programs/afo/
● Wetlands Reserve Programs	www.nrcs.usda.gov/programs/wrp/
● National Resources Inventory	www.nrcs.usda.gov/technical/NRI/



5. Marketing & Regulatory Programs

www.usda.gov/mrp/

- Agricultural Marketing Service (AMS)
 - www.ams.usda.gov/
 - AMS Farmers Market www.ams.usda.gov/farmersmarkets/
 - Dairy Programs www.ams.usda.gov/dairy/index.htm
 - Food Purchase Resources www.ams.usda.gov/cp/resources.htm
 - National Organic Programs www.ams.usda.gov/nop/
- Animal & Plant Health Inspection Service (APHIS)
 - www.aphis.usda.gov/
 - Agricultural Biotechnology www.aphis.usda.gov/biotech/
 - Animal Health www.aphis.usda.gov/vs/
- Grain, Inspection, Packers & Stockyards Administration (GIPSA)
 - www.usda.gov/gipsa/
 - The Western Organization Resource Councils (WORC) Petition for Rulemaking www.usda.gov/gipsa/worc_petition/worc.htm

6. Research, Education & Economics

www.reeusda.gov/ree/

- Agricultural Research Service (ARS)
 - www.ars.usda.gov/
 - National Agricultural Library (NAL) www.nalusda.gov/
 - ARS National Programs www.nps.ars.usda.gov/
- Cooperative State Research, Education & Extension Service (CREES)
 - www.reeusda.gov/
 - CSREES Small Farms Program www.reeusda.gov/smallfarm/
 - CSREES Funding/Grant Opportunities www.reeusda.gov/1700/funding/ourfund.htm
- Economic Research Service (ERS)
 - www.ers.usda.gov/
 - Farm Structure, Income & Performance www.ers.usda.gov/Topics/View.asp?T=102200
 - Food Market Structures www.ers.usda.gov/Topics/View.asp?T=102400
 - Farm Financial & Risk Management www.ers.usda.gov/Topics/View.asp?T=101800
- National Agricultural Statistics Service (NASS)
 - www.usda.gov/nass
 - Census of Agriculture Data www.nass.usda.gov/census/
 - Statistical Information & Reports www.usda.gov/nass/
 - NASS Agricultural Statistical Database www.nass.usda.gov:81/ipedb/

7. Rural Development

www.rurdev.usda.gov/

- Rural Business—Cooperative Service (RBS)
 - www.rurdev.usda.gov/rbs/
 - Business Programs www.rurdev.usda.gov/rbs/busp/bprogs.htm
 - Cooperative Services www.rurdev.usda.gov/rbs/coops/csdir.htm
- Office of Community Development (OCD)
 - www.rurdev.usda.gov/oecd/index.html
 - Rural Empowerment Zones & Enterprise Community (EZ/EC) Program www.ezec.gov/
- Rural Housing Service (RHS)
 - www.rurdev.usda.gov/rhs/index.html
 - Housing Assistance www.rurdev.usda.gov/rhs/individual/ind_splash.htm
- Rural Utilities Service (RUS)
 - www.usda.gov/rus/
 - Distance Learning/Telemedicine www.usda.gov/rus/telecom/dlt/dlt.htm
 - Telecommunications www.usda.gov/rus/telecom/
 - Electric Program www.usda.gov/rus/electric/index.htm
 - Water Program www.usda.gov/rus/water/index.htm



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Acknowledgments

USDA Small Farms Coordinators

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www.usda.gov/oce/smallfarm/